

# SALES man- age- ment

THE MAGAZINE OF  
MODERN MARKETING

DECEMBER 1, 1934

WENTY CENTS



PRISE POSTER: First prize in the fifth annual Exhibition of Outdoor Advertising Art, held at Chicago, goes to Pontiac Motor Car Company's poster. H. Ledyard Towle, the designer, and Campbell-Ewald, the ad agency, (of which he is art director) likewise receive fitting honors. Continental Litho Company executed the work. The exhibit is national in scope and was established to give recognition to advertisers and artists doing work of special distinction.



GLORIFYING TAPE: Friction tape, formerly a neglected step-child, blossoms into a fashion plate. Egmont Arens, who dressed up the Gold Seal tape and splicing compound packages for Jenkins Brothers, reports sales have shot skyward. The tape box is in glowing red with white lettering and gold embellishment.



ARRIVES: Wesley M. Angle succeeds the late W. Roy McCann as president of Stromberg-Carlson. Starting with the firm in 1903, Mr. Angle knows S-C from stockroom clerk on up.



10,000,000th CHEVVIE: M. E. Coyle, at left, president of Chevrolet Motors, and Charles E. Wetherald, v-p and general manufacturing manager, feel jubilant as the 10,000,000th car comes from the assembly line at Flint. Equipped with radio and loud speaker it will be used as a safety patrol car by the Flint Police Department. It took 11 years to build the first million but only 12 years to turn out the next nine million. Some 50% of them are still a-rolling.

# With a wedding veil TALBOT made the *first halftone* in 1852

HAD brides not worn tulle veils 75 years ago, there might be no newspictures, no magazine illustrations, no modern advertising today. For it was with a wedding veil that the English scientist, Fox Talbot, made the first etching which would reproduce tones.

Talbot found that by imprinting the mesh of such a veil on a sensitized copper plate and then photographing on this plate, the developed image would be broken up into a composition of dots. When etched with acid, these dots acted like the cross hatchings engravers gouged into the surfaces of their plates: when inked and impressed on paper, they reprinted as shadows and high-lights.

Crude as were the engravings resulting from Talbot's first attempts, they served to guide future investigators and with the practical improvements added by the English Sir Joseph Swan, the German Meisenbach, the Americans Horgan, Levy, and Ives, Talbot's discovery came to rank with the inventions of movable type,

machine made paper, and high speed presses as one of the prime movers in making fine printing possible at low cost.

Today the significance of Talbot's discovery in printing is echoed in the development of Kleerfect, the perfect printing paper. For Kleerfect is our time's contribution towards reducing the cost of fine printing.

In Kleerfect special processing eliminates, for all practical purposes, two-sidedness of surface and color and makes possible printing of uniformly high quality on both sides. Kleerfect has strength and high opacity. It possesses a neutral, non-glaring color that is easy on the eyes; gives proper contrast with the greatest number of printing inks and types of illustrations; and permits the true, maximum reproductive power of one to four colors.

To see samples of the work made possible by this perfect printing paper, to learn the economy of its cost, and the name of the merchant nearest you who stocks Kleerfect, please write our advertising department in Chicago.



**Kleerfect**  
THE PERFECT PRINTING PAPER  
REG. U. S. PAT. OFF.  
MANUFACTURED UNDER U. S. PAT. NO. 1716098

KIMBERLY-CLARK CORPORATION

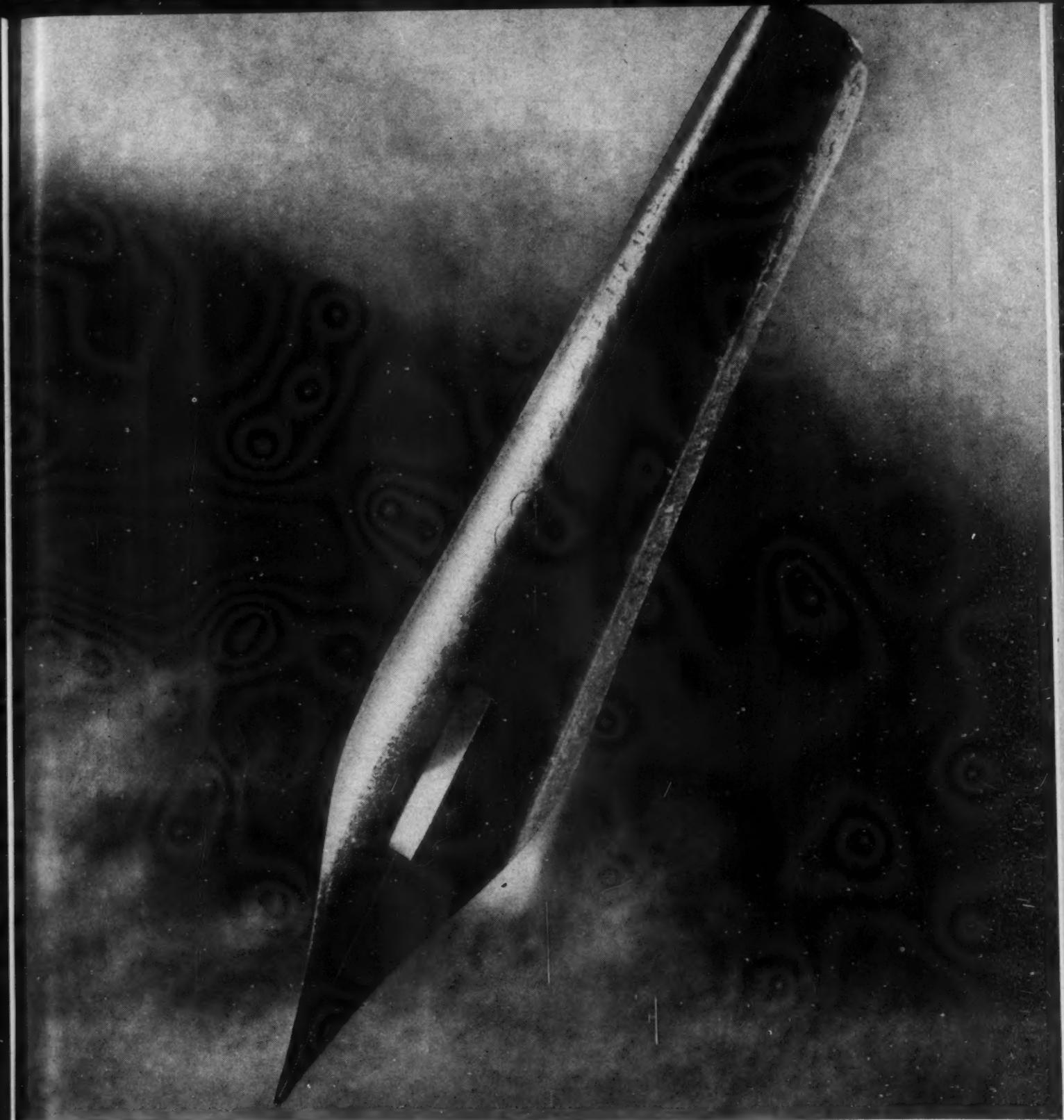
ESTABLISHED 1872

NEENAH, WISCONSIN

CHICAGO, 8 South Michigan Avenue • NEW YORK, 122 East 42nd Street  
LOS ANGELES, 510 West Sixth Street

e

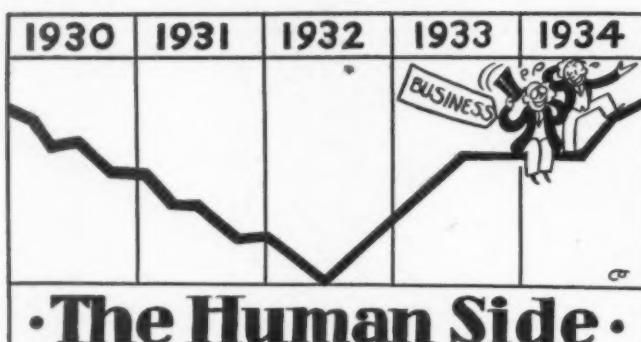




Without that ingenious split in the pen,  
you might as well try to write with a nail. ↞ No less vital to magazine  
advertising is editorial skill which feeds reader interest straight to the point.

THE **American** MAGAZINE

Colwell Publishing Company... COLLIER'S, WOMAN'S HOME COMPANION, THE AMERICAN MAGAZINE, THE COUNTRY HOME... Combined Circulation Over 8,300,000



### There Are Compensations

If you have been shedding tears over the hard lot of washing machine salesmen, and other doorbell-ringers, dry them right now. True, these devoted disciples of progress tramp through heat and cold, snow and rain and gloom of night to bring the good news that Science Has Found a New Way to banish laundry blues. But there is a silver lining to their ebon cloud. In some respects their's is a mighty pleasant vocation.

We offer as evidence the following verse written by F. A. Johnson, sales manager of the Voss Brothers Manufacturing Company, of Davenport, Iowa. He ought to know about such things, for the Voss Company is one of the up-'n'-coming washing machine makers. Mr. Johnson read the parody of Kipling's immortal "If" at a dinner which his outfit gave to the sales staffs of the Peoples Light Company and the Peoples Power Company. Here 'tis:

If you can ring an early morning doorbell  
With never a fear of what the alarm may bring,  
If you can keep your poise and self-possession  
When greeted by some half-dressed sweet young thing,  
If you can accept a drowsy invitation  
To step right in and put yourself at ease  
And then get out your selling information  
And show her where to "Sign the order, please,"  
Then, son, you'll build yourself a reputation  
And some day some way I know you'll succeed,  
So keep right on ringing all the doorbells  
For the sale is just a stone's throw from the lead.

If you know how to give a demonstration  
In a dimly lighted basement far from home,  
If you know how to keep up conversation  
While the washers churn the soap up into foam,  
If you can reach down far the tumbling soap suds  
And bring up a pair of these or them or those  
Holding them up in beaming admiration  
Of the way the Voss has really washed her clothes,  
Then, son, you're really working, and just between me and you,  
There's lots of work less pleasant you may do before you're  
through.

### Canary Clinic

One of the most common troubles of canaries, in the opinion of Dr. H. S. Swetzler, is too much starch and carbohydrates in the diet. If the birds do not become fat from this, Dr. Swetzler continues, they will probably become asthmatic. If they do not become fat or asthmatic, they will probably moult around the head and neck. (This moult, however, does not affect a bird's singing.) If you persist in such a diet for your canary, he will get pernicious anemia, and die.

These and a great many other things Dr. Swetzler said to 600 fanciers at the second annual Canary Clinic of L. Bamberger & Co., Newark, a short time ago. During the week of

the clinic Dr. Swetzler lectured three times daily. For the benefit of his experience were brought canaries who had everything the matter with them from constipation to stage fright. Some of the owners were recluses who seldom entered a department store. Since the clinic was held on the seventh floor, they all had to see pretty much of the store, and perhaps bought other things. George Bijur, director of publicity and sales of Bamberger's thinks the affect generally has been stimulating.

Canaries, of course, are a comparatively minor item in this second largest department store in the East. Sales this year, Mr. Bijur says, were about 1,000. Even so this represents an increase of 20% in number of birds from the total of 1933. Also, he points out that the birds generally are higher in price, due to NRA or something, and that, due in part to the clinics, people are seeking fancier birds. So the dollar volume is even greater.

Obsolescence enters into this. It seems that after you have seen and heard some of Dr. Swetzler's marvels you become dissatisfied with the bird you had or had intended to get. Dr. Swetzler showed the visitors "Howdy," a genuine Harz Mountain Canary valued at \$5,000, trained to sing at command before strangers. Then there was "Peewee," who could sing at command after only four weeks of training. In some respects the most remarkable of all was "Rex," said to be the only canary in the country who will sing at command on an open birch. Also there was the one who will walk from limb to limb of a miniature tree with what Mr. Bijur describes as "perfect ease and confidence." Another will go up and down a ladder.

From a singing standpoint, the trouble with your bird probably is either that he is a "chopper" or a "roller." A "roller," Dr. Swetzler explains, is one who rolls one note into another. This is due in part, perhaps, to the fact that he sings with a closed beak. A "chopper," on the other hand, clips his notes off too closely. In addition to prescribing diets and musical training, Dr. Swetzler will tell you how to improve plumage and, if necessary, set broken bones. Even so, canary training is only an avocation with him. He works on human beings too.

The Canary Clinic is only one of the dramatic events staged at Bamberger's under George Bijur's direction. He is a showman, as well as a copywriter and merchandiser. How, being "Roxy's" son-in-law, could he be otherwise?

### Gals Sell Gallonage

Sinclair may have his dinosaurs, Standard of Indiana may have its live animals, lions and tigers, but with Skelly, boys, it's gals. Clifford Ball, of the Skelly Oil Company, Kansas City, told a story to the Direct Mail Advertising Association, at the Hotel Stevens, Chicago, that left 'em cock-eyed.

Ball is the young man credited with putting sex into oil advertising. Son of a hardware dealer in a small town in Kansas, he developed, by natural evolution, into the filling station business.

He took the numbers of all cars that seemed to be passing his station more or less regularly. He checked the numbers and got the names and addresses of the owners. Then, very laboriously, he wrote a form letter to send to them.

It was a nice, warm, chummy letter. Rather intimate and friendly. Just the type of letter he thought he'd like to get if he owned a car and was passing that station every day. Then he sent the letter to the home office, in Kansas City to be processed.

Well, it came back all right. But such a letter! The advertising department had done wonders with it. It was cold, distant and formal. Icicles on it. Mr. Ball read it through and junked the whole batch. Then he proceeded to raise a bit of hell. It is presumed that he did a good job.



Is he moulted around the head?

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Since Radio Found Itself  
**THE AMERICAN LED ALL CHICAGO  
 PAPERS IN RADIO LINEAGE**  
 RETAIL RADIO SHOPS AND  
 NATIONAL MANUFACTURERS

RETAIL RADIO SHOPS AND NATIONAL MANUFACTURERS ADVERTISING LINEAGE IN CHICAGO NEWSPAPERS

**HERE'S THE TOTAL SCORE**

1923 to 1934 inclusive (1st 10 months 1934)

<b>EVENING AMERICAN</b>	5,929,135 lines
2nd Evening Paper	5,017,126 lines
1st Morning Paper (daily)	1,367,498 lines
2nd Morning Paper (daily)	1,121,108 lines
3rd Evening Paper*	748,926 lines

**THE 6 DAY AMERICAN ALSO LED ALL 7 DAY PAPERS**

<b>EVENING AMERICAN</b>	5,929,135 lines
Second Paper (M & S)	4,267,201 lines
Third Paper (M & S)	3,325,452 lines
Fourth Paper (E & S)*	761,493 lines

M & S is Morning and Sunday  
 E & S is Evening and Sunday

\* Does not publish on Saturdays

Today the American has even greater value for radio advertisers than in the past. That's because so much of today's circulation is among young men and women in their 30s and 40s. These are The Leading Americans in the present consumer market. Such people, economists will tell you, are earning the bulk of America's income—and spending the most, too.

We know—and we'll be glad to prove it to you—that the American has more concentrated circulation among The Leading Americans than any other paper in town. If the American paid best for radio in '29, it will pay even better in '34-5. A word to the wise is—Advertise to The Leading Americans. **THEY MEAN BUSINESS.**

# CHICAGO AMERICAN

... more Buying Power to you

NATIONAL REPRESENTATIVES: Rodney E. Boone Organization

# SALES management

Vol. XXXV. No. 12

December 1, 1934

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Anyway, in a little while he was told to take over the advertising job for the company and show what he could do. That was about three years ago.

Came May and the check-up showed that Skelly had lifted its sales 32% over the previous May. By the following January they were up 73% over the previous January! Attendance at jobbers' meetings in the same time grew 40%.

Mr. Ball credits the gals, mentioned in the first paragraph, for a lot of it, but not all. He argues that everyone loves a pretty gal. Gals popped into the Skelly advertising from every angle. Gals in shorts, half-piece bathing suits, tights, evening dresses (maybe night dresses). Pretty gals, very pretty gals. "Maybe it's immoral," he said. "I dunno. But we've sold gas."

One special sales stunt was sent in an envelope flaming with red ink and a sassy gal in tights. It was labeled "Too hot to handle." "Maybe it's risqué," he added, "but oil men like it."

The Skelly plan was chosen as one of the fifty leaders at the recent DMAA convention in New York and was on display at the Chicago show. Mr. Ball said:

"You show 49 ways of using direct mail advertising at this exhibit. We've used forty-two of them. One very effective scheme we worked out was a plan to compel our station managers to make personal calls on car owners in their neighborhood. We have a mail follow-up to check against faking."

"Each man has to turn in a certain number of calls each week. Three or four days later we write the customer reminding him of the call and adding, 'We hope you liked the little present he left with you.'"

The station operator can't risk having the customer write back to the head office, "What visit? What gift?"

The gift is a neat little polishing cloth.

### Jinny's Tale

Up at his "ranch" near Westport, Connecticut, David J. Randall, Jr., of Lorenzen & Thompson, Inc., newspaper representatives (Denver Post, Brooklyn Times-Union, Buffalo Courier-Express and 23 more) had a mare. Her name was Blarney. Blarney had an affair with one Joe Marrone II.

One Thursday evening in the Spring of 1933 Mr. and Mrs. Randall came home and found Jinny lying on the cement of the stable. Jinny was just an hour or two old then. She was struggling as best she could to stand up and get within reach of Blarney. She was hungry. Blarney watched the process with interest, but refused to lie down for her filly. After a couple of hours, having no alternative, Jinny could stand up and eat.

The following Sunday a neighbor of the Randalls, an advertising photographer, Bert Clark Thayer by name, who does work for Old Gold cigarettes and others, came over. He took Jinny's first picture at the age of three days.

After that, for a whole year, Mr. Thayer made a practice of spending part of almost every weekend with the Randalls and Jinny. He took, all told, about 300 shots of her. The result was an unusual study of a filly's career.

A few months ago Mr. Thayer took an armload of photographs down to Farrar & Rinehart. Three or four weeks ago appeared "Jinny, the Story of a Filly."

The first printing, of 2,500, has become nearly exhausted, the F & R people tell us, and another 2,500 is now going through. The first 2,500 were sold, at \$2.50 a copy retail, on an advertising expenditure of \$340. Jinny at first was just a part of the publishers' full page ads in the New York Times and Herald Tribune book sections. In December, though, say Franklin Spier & Aaron Sussman, Inc., who handle F & R advertising she will come in for some separate emphasis.

We mention Jinny not only because she is Dave Randall's filly (maybe she's a mare by now), Bert Thayer's subject, John Farrar's product and Aaron Sussman's account, but because we found her antics refreshing. We like to think, too, that some products are still being born and growing into popularity without too many sales conferences being held over their poor heads.

# Do You Like Surveys?

While many do and some do not, the fact remains that surveys are just as important as any other type of business research.

Buyers of newspaper space, we believe, are vitally interested in the survey R. L. Polk & Co., made not so long ago to ascertain buying and reading habits of Metropolitan Pittsburgh families.

It was found, of course, that considerably more of these families read The Press than any other Pittsburgh newspaper.

But this is even more interesting: according to the Polk survey, advertisers who use The Press as their first newspaper in this market reach at least 61% of all the families reading any Pittsburgh newspaper regularly. The closest any other paper came to this was 46%.

Scripps-Howard advertising representatives will gladly give you further details.



*This Survey is only one of a number of similar investigations into newspaper reading habits of residents of Metropolitan Pittsburgh, made during the past seven years. Five of these surveys were made by such representative organizations as R. O. Eastman Co., Main & Co., Houser Associates, R. L. Polk & Co., and Ross Federal Service. An average of these reports indicates a 64% coverage of Metropolitan Pittsburgh families for The Press.*

## FIRST IN PITTSBURGH - FIFTH IN THE WORLD

IN ADVERTISING VOLUME, 1933

Authority, Media Records

# The Pittsburgh Press

A Scripps • Howard Newspaper

NATIONAL ADVERTISING  
DEPARTMENT OF  
SCRIPPS-HOWARD  
NEWSPAPERS  
230 PARK AVENUE, N. Y. C.



MEMBER OF THE UNITED PRESS  
AUDIT BUREAU OF CIRCULATIONS  
METROPOLITAN SUNDAY  
NEWSPAPERS and of  
MEDIA RECORDS, INC.

CHICAGO • SAN FRANCISCO • LOS ANGELES • DALLAS • DETROIT • PHILADELPHIA • ATLANTA

DECEMBER 1, 1934

[545]

# It's Heaven for the hokey pokey

man to come across a schoolyard—because a schoolyard holds a lot of kids! Ice cream at a cent a scoop isn't much of a sale but a lot of kids make a lot of sales. The hokey pokey man is only a perambulating purveyor but purveyors of a lot of other things might well perambulate after him. Because the bread and butter of this business world is, in one brief word—kids.

Kids eat between eats, corner a large portion of papa's pay envelope for the corner grocery or the A & P. Kids get dirty, scratched, bruised, cut and sick; kids scuff through shoes quickly, wear out and grow out of clothes at high speed, make good furniture die young, break and lose all kinds of things.

Most important, kids are never satisfied, always want something. Kids call attention to the faded paint and squeaks of the old car, peddle the points of the new models; wish that the living room was as nice as the neighbor's; cause otherwise placid parents to buy grand pianos, short wave radios, life insurance, oil burners, goldfish, phonographs, books, new dishes, rowing machines, sun lamps, canoes and silent bathroom accessories. It's kids who keep money in motion. So it is as natural for business to want kids as it is for kids to want everything!

So the first market on the national map is obviously New York City—where some 702 public schools assemble some 1,128,697 school-kids! This startling figure does not include bottle babies, tiny tots under five, debutantes, gainfully employed minors, the entire freshman class of Columbia, pupils in parochial, private, or trade schools, business colleges, *écoles de danse* and institutions of higher learning—which easily amount to another million. And in the suburbs there is at least another million! So here in one small area is the greatest kid market on the globe.

Some hundred thousand stores, to say nothing of lunchrooms, dentists, movie houses and Good Humor trucks, are largely kept in business by these three million constant consumers. Which means that orders are larger, outlets are closer



together, sales are easier and quicker to make—and more profitable! The manufacturer not in this market is missing the gravy.

THE New York market is also easy and economical of access because most of the parents of these three million legal infants can be reached through one newspaper alone. The News goes to two out of three City families, and to more than one family in five in the suburbs! Alone, it covers the market, reaches most of your customers in the market—and no other single medium does! And its milline cost is at an all-time and whole-country low!

The News market, medium, and milline are a steady meal ticket for the smart advertiser. Pull up a chair and pass your plate!

**THE NEWS, New York's Picture Newspaper**

Tribune Tower, Chicago • Kohl Building, San Francisco • 220 EAST 42nd STREET, NEW YORK

# Significant Trends

As seen by the editors of *Sales Management* for the fortnight ending December 1, 1934:

## Can Our Economic Life Be Balanced?

to keep the net incomes of the great social and economic groups at a rough parity so that they will be able to give full employment to one another. Except for the desire to bring prices into better relationship with existing debts, Mr. Roosevelt seems less interested in raising the general price level than in eliminating the trade-destroying disparities within the price structure.

● ● ● Secretary of Commerce Roper emphasized this the other day when he told the nation: "We must not assume that the Administration seeks a rise in all prices. Any such impression is incorrect. The real problem is that of equalizing prices as nearly as possible."

● ● ● The records show that between March and July, 1933, substantial progress was made in the direction of narrowing price gaps, and during this period business expanded at a more rapid rate than ever before in American history. Then new factors were introduced and price gaps once more widened, resulting in a sharp contraction in the volume of production. Present indications point to a narrowing of the gap between what certain classes of society receive and what they have to spend.

● ● ● During the depression years the maladjustment in the farmers' income was the greatest—and hence the efforts made to help the farmer. When one important social group gets half or less of its normal ratio of the total income, it can give only half time employment to those in other groups. The sharp rise in farm incomes and purchasing power seems to constitute a vital turning point in recovery, and it is probably true that it stopped the intermediate slump in business which prevailed for several months until about Labor Day. In the same radio broadcast, Secretary Roper added the following significant remark, which indicates a "new deal" for industry. "*The Government must encourage business profits in order that the Government itself may survive and function.*"

● ● ● A number of large industrial companies have promised to do their part in attempting to stabilize earnings. The General Motors Corporation took the lead in the automobile field by announcing that it would spread employment throughout the year by staggering the introduction of new models. In the past, two-thirds of the nation's auto production and sales have occurred in the first six months of the year with relatively little activity later, especially in the final quarter when many big plants have completely shut down. President Sloan is not too optimistic about results for he says: "While it is recognized that the 'sale of straw hats in the winter time' is bound to be of limited success, the corporation is determined to do what it can in the spirit of helpfulness and cooperation in the interest of its workers, whom it recognizes as vital contributors to the success of its business."

● ● ● Business during the fortnight continued to show steady though non-spectacular improvement. With

It is becoming increasingly clear that one of the major aims of the President is

the exception of cotton forwardings, all weekly business indices showed a better than seasonal performance. Steel ingot production is now back again to a higher point than at the same period last year; the decline in automobile production is less than seasonal, and output is well ahead of last year; coal production has been expanding for the past three months at a greater than seasonal rate.

● ● ● Car loadings and electric power output are running from 2 to 5% above last year; reports from nearly all sections are extremely optimistic on retail sales, both as to current business and prospective Christmas trade; not only were October construction contracts larger than for any month since March, but the figures for the first ten months show a gain of 51%; wholesale commodity prices maintain a slightly rising trend, and the Irving Fisher index is now at 79% of the 1926 normal; bank debits for the country outside New York City show steady increases of around 10%.

● ● ● Farm income and buying power estimates made by the Brookmire Economic Service show a startling upturn from the depression low with the farmers' net income more than doubling in two years:

	Cash Income	Net After Expenses
1931 .....	\$5,801,000,000	\$2,074,000,000
1932 .....	4,370,000,000	1,463,000,000
1933 .....	5,262,000,000	2,525,000,000
1934 Est. ....	6,400,000,000	3,300,000,000

● ● ● On page 568 of this issue we publish the first of a series of monthly graphs showing the state of business by sections. Comparisons are given with the "normal" years—1923-1925—and also with the preceding month and the corresponding month of last year. This exclusive feature should aid in sales planning.

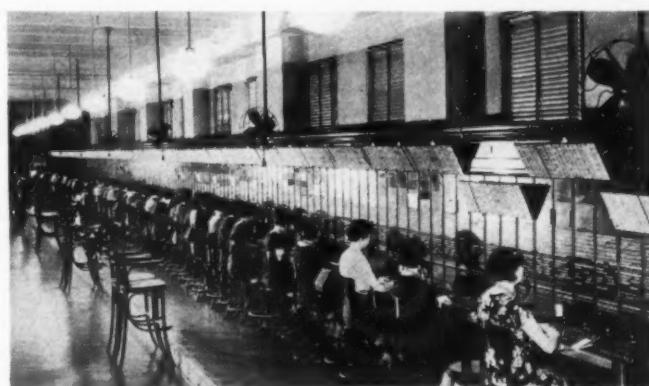


Photo by Ewing Galloway

If telephones are any barometer of business, then business has been getting steadily better for at least 19 months. Net telephone installations in 12 of the last 19 months have been greater than in the comparable months the year before and net losses have been less in the other seven. Total telephones in the Bell System (roughly 80% of the national total) at the close of October were 380,000 in excess of the same date in 1933, and 440,000 above August, 1933, the low point of that year. October was the sixth consecutive month to show an increase over last year.

# Industrialists Now Support Recovery

formulate plans for the continuation of the NRA, indicates that the Roosevelt Administration has at last received the support of big business interests—quite possibly on the theory that the Rooseveltians are likely to be in power for six more years and that business might better cooperate than rebel.

• • • The announcement of the December meeting of the Congress of American Industry under the auspices of the National Association of Manufacturers, lays down the following agenda: "The major question is not what has been done in the past but what new steps are necessary to bring recovery. What in the future should be the relation of government to business? How is the gigantic relief problem to be met to relieve distress and at the same time not plunge the nation into bankruptcy or threaten its credit? How is the new flow of private capital into legitimate investment to be stimulated? What new moves to curtail unemployment are practical and feasible? These and other problems must be faced at the coming session of Congress, when much of the emergency legislation expires, and industry can and should prepare its constructive recommendations."

• • • Washington observers are unanimous in saying that the Administration is set firmly against currency inflation and will fight all sorts of schemes for fiat money, new silver legislation and further dollar devaluation proposals—but in order to avoid inflation of currency the Government will force an expansion or an inflation of bank credit. There is more and more talk in Washington about a heavy tax on excessive corporation surpluses and it would not be surprising, therefore, if we see greatly liberalized dividend payments. This should be a great stimulus to retail sales.

• • • The recent ruling of the Federal Communications Commission now permits new local radio stations over and above quotas formerly in effect. Observers say that "smart capital" is going into broadcasting, and that a scramble for licenses is on between newspapers in those cities and rival interests.

## The Outlook for Sales

A recent survey made by the Brookmire Economic Service indicates that business during the next six months will be at least 8% better than the same period a year ago, and 22% better than the corresponding period averaged over the last three years. Brookmire estimates the following percentage increases over last year in these leading states: Kansas, 31%; Mississippi, 16%; Iowa, 15%; Maryland, 15%; Kentucky, 14%; Arkansas, 14%; Oklahoma, 14%; Florida, 13%; California, 12%; Louisiana, 12%; Indiana, 12%; Illinois, 11%; Virginia, 11%.

• • • Brookmire picks the following major markets as offering the best sales prospects for the next few months: Akron, Atlanta, Birmingham, Chicago, Columbus, Ohio; Dallas, Denver, Des Moines, Fort Worth, Houston, Indianapolis.

Also, Kansas City, Memphis, Miami, Milwaukee, Nash-

ville, Newark, New Orleans, Oklahoma City, Omaha, Peoria, Portland, Oregon, Richmond, St. Louis, San Francisco, Seattle, Spokane and Washington, D. C.

• • • Life insurance sales in October were 9% higher than last year, and for the first ten months the gain was 11%. October ratios, 1934 to 1933, ranged as follows in the sections: New England, 101%; Middle Atlantic, 113%; East North Central, 108%; West North Central, 104%; South Atlantic, 115%; East South Central, 102%; West South Central, 102%; Mountain, 122%; Pacific, 115%.

• • • Ford dealers sold at retail in October the largest volume of Ford commercial units for any October since 1930. . . . Exports of Packard cars during October were greater than for any other month since July, 1931. . . . Sales of Crosley radios in October reached the highest total since 1929.

• • • On page 576 appears the first of a series of open forums on problems of sales management, presented under the combined auspices of the New York Sales Executives Club, Walter Mann, and SALES MANAGEMENT.

## Pot Pourri

The extent to which Henry Ford "stole" this year's Century of Progress is shown by the following figures. There were 16,314,480 total paid admissions to the Fair and the exact attendance figure in the main Ford Building alone was 12,021,509. During October 85% of those who entered the Fair grounds visited the Ford exposition before they left.

• • • Ralph Hitz predicts that we are about to enter an era of unprecedented business and pleasure travel. "America is again on the move," he says. "The high rate of foreign exchange will tend to keep Americans in America and further will encourage large numbers of European visitors to our shores. Repeal has made it unnecessary for Americans to flock to Canada or Mexico to enjoy legalized liquor. These things coupled with the great improvement in business will cause a great migration to cities, resorts and spots of scenic or historic interest."

• • • The editors of *Collier's Weekly* have started a unique promotion venture in the form of a weekly collection of mimeographed bulletins called "The Letters of Mr. X." These letters come from editorial writers in various parts of the country, and each week the magazine sends out to a list of business men and editors, chatty, informative reports on significant developments in key states.

• • • Our foreign trade with other nations of the Western hemisphere is increasing more rapidly than with other parts of the world. Nine months' export figures show a 20% increase to Mexico, 65% Central America, 50% to South America. Our total world exports are up 19% over last year.

• • • *Is business better?* Ask our good friend C. N. Cahill, general manager of the Autopoint Company. "We are practically sold up to capacity, and we will have difficulty in maintaining our shipping service during November and December. We are making plans for 1935 to be the largest Autopoint year in history." Those who aim at the stars may not reach quite there, but they get further than timid souls.

Reprints of Significant Trends are available at five cents each, remittance with order.



**Idaho's Pride:** (Above) "Golden West" is the trade name of these baking potatoes which the Idaho Packing Corporation puts up in 15-pound boxes. Kansas City Fibre Box Company, affiliate of the Hinde & Dauch Paper Company, designed the package. It is colorfully printed and has air holes top and bottom. Thus are potatoes given identity, ease of handling.

## In the Headlines of a Fortnight's Sales News

**Latest in Dinnerware:** (Below) Simon Slobodkin created this geometric "Cascade" design tableware manufactured by the James River Pottery Company. The colors on the china will never wash off. Dirt, on the other hand, may be easily washed from the Fabrikoid tablecloth and Cellophane slit cellulose doilies, both by du Pont. Cutlery, with molded plastic handles, from Remington Arms.



**Light Up, Sales Up:** (Right) Luminous Structures, Inc., Los Angeles, remodels one of the Gilmore Oil Company's filling stations in accordance with the newest developments in the science of lighting. The 18-foot tower, of course, is the most conspicuous portion, yet the whole station is equipped for maximum visibility by day as well as night. Steel, glass and plenty of flood lights and bulbs in special reflectors were used. Already sales have registered gratifying increases, bearing out the opinion of J. C. Chatfield, petroleum authority: "Oil companies don't want and don't need much more additional equipment. They do need more business. Modern equipment, not necessarily more equipment, will help oil companies increase their business."



**Promoter:** (Above) W. M. DeWitt is named manager of Kelvinator Corporation's advertising and sales promotion department. Since 1925 he has been merchandising electrical appliances in the South and East. Lately he was Kelvinator's district manager in Florida, Alabama, Mississippi and Georgia.



**Trouble-Shooter:** Arthur Brisbane, above, is called on by William Randolph Hearst to take the helm of the *New York Daily Mirror*. The tabloid has been the ostensible property of Arthur Kobler. In addition to dictating his "Today" column and keeping an eye on the Hearst chain of dailies, the 70-year-old Brisbane will inject new life into the *Mirror*.



**Elected:** (Left) Raymond J. Koch moves up from secretary and treasurer to the president's seat of Felt & Tarrant Manufacturing Company, Chicago. A graduate of Armour Institute of Technology, Mr. Koch has been with the Comptometer organization since 1928. Before that he was with the Ilg Electric Ventilating Company.





Photo by Ewing Galloway

**N**EARLY a full 100% of national sales organizations use automobiles in their sales work, with 85% of their men equipped with cars, and four out of every ten companies allow their salesmen to use commercial airplanes for long jumps. The low cost and convenience of motor travel and the time-saving factor of airplanes are stealing business from the railroads, according to the findings of Ross Federal men.

SALES MANAGEMENT employed the Ross organization to go to the sales heads of typical subscribers and discuss sales travel, with a view to securing a cross-sectional picture of trends. Ross men working out of 33 branch offices made the calls during the first half of November. A partial list of the companies appears elsewhere in the text. They cover nearly every industry, both industrial concerns and those making consumer products, and are typical of all types of sales organizations except the direct-mail, the house-to-house, and the purely local varieties.

Interviews were secured with these executives:

General sales manager	41.3%
Vice-presidents	13.1
Miscellaneous Executives	10.1
Presidents	9.4
Secretary-treasurers	8.7
General managers	7.2
Advertising managers	5.1
Assistant sales managers	5.1

*The twenty-fourth of a series  
of dealer and consumer market  
investigations made exclusively  
for Sales Management by the  
Ross Federal Service, Inc.,  
New York*

# More Salesmen Find Increased Efficiency in Travel by Plane and Automobile

## *How many salesmen do you employ?*

The average number of salesmen employed was 57, but among the group was one concern with 1,000, and several with upwards of 250. Broken down by groups the division is:

Ten or less salesmen	23.1%
11 to 24	23.1
25 to 49	22.3
50 to 99	18.5
Over 100	13.0

## *How many (of your salesmen) use automobiles regularly in traveling?*

Of the companies interviewed 95.6% employ automobiles in their sales work, and only 15% of all the salesmen employed make no use of automobiles. On the average sales force of 57 men, there are 48 who used cars. Of the 350 Holcomb & Hoke men 280 have cars. Similar figures for other companies are: California Fruit Growers Exchange, 125 and 55; H. D. Lee Mercantile Company, 125 and 125; John F. Jelke Company, 58 and 58; Lehn and Fink Company, 26 and 26; Mack Shirt Company, 30 and 29; Seamless Rubber Company, 12 and 10; Smith, Kline and French, 20 and 18; Trico Products, 11 and 11.

## *How many of these automobiles are owned by the company?*

The companies owning cars average 45 per company, and 37.2% of all cars used by salesmen are owned outright by the company. Many others are owned "partially," with the com-

pany financing the purchase and selling them to the salesmen on convenient terms. Many sales executives made the point that the average salesman will take far better care of his own car than he will of one owned by the company, and that they therefore encourage their men to own the cars.

## *Do you pay automobile expenses?*

"Yes," say 76.5% of sales executives. By keeping a rein on expenses, sales managers find that they have better control over the salesman's travel, and are able to direct his purchases of the most reliable and, in the long run, most economical gasolines, oils, tires, etc.

## *How do you pay automobile expenses?*

By mileage allowance, say 37.3%.

By a fixed weekly allowance covering all travel expenses, says 29.1%.

By itemized expense accounts, say 18.2%.

By a combination of mileage and fixed weekly expense, say 10.0%.

By other methods or combinations, say 5.4%.

One of the frequent combinations is the one used by the John F. Jelke Company. Itemized expense reports are called for on company-owned cars, while if the salesman owns the car his expenses are cared for by the mileage allowance plan. The New Haven Clock Company has some men working on a mileage allowance basis while

others absorb their automobile expenses from their fixed weekly travel allowance.

**Do you allow your men to travel by plane?**

"Yes," say 41.5% of the sales executives. Of those replying in the negative, a considerable number qualify their answers by mentioning that their individual sales territories are too small to make air travel feasible.

**Do they use planes only for jumps of 500 miles or more, or for shorter trips, too?**

One of our subscribers told the Ross investigator that he okayed plane expense accounts only on annual hops to Alaska, but 62.5% of all those using planes found them useful for relatively short trips as well as for jumps of 500 miles or more.

**Do you or your fellow executives use commercial planes?**

"Yes," said around 63.0%. Several others said they did their air traveling in company-owned planes, while a few fly their personally-owned planes on company as well as private business.

**What is the approximate total mileage flown during the last twelve months by executives or salesmen?**

Under 1,000 miles .....	5.6%
1,000 to 5,000 miles .....	28.3
5,001 to 10,000 miles .....	20.8
10,001 to 20,000 miles .....	22.3
20,001 to 100,000 miles .....	20.8
Over 100,000 miles .....	2.2

Drug and cosmetic manufacturers seem to be good patrons of the plane services. One house reported over 100,000 miles, while Lehn and Fink estimate their plane travel at upwards of 50,000 miles, and say their executives "almost always" use planes.

**If your company does not permit travel by plane is it because of cost? Safety? What?**

High cost and small territories are far more important deterrents to commercial plane travel than fear of accidents. Reasons advanced were:

Cost .....	35.2%
Safety .....	18.5
Small territories .....	40.7
Need cars at destination ..	2.0
Too much baggage .....	3.6

**Does your company ever ship by air express?**

This use of commercial plane service is made by 45.9% of the subscribers visited, but many added a qualifying *seldom* or *very little* or *occasionally*. Most sales managers seem at best only half-sold on the air express. A very large number assume the rates to be prohibitive.

**Are your goods sold in foreign countries?**

"Yes," say more than two-thirds—

67.6% to be exact. Many executives made special comments about foreign sales, with some saying, in effect, "a little," while about the same number observed that foreign sales were showing a good pick-up.

**Did any executives or salesmen make any transatlantic or transpacific trips on company business during the last twelve months?**

Positive answers were made by 43% of the companies whose goods are sold abroad, and 34% are anticipating trips of that nature next year.

*Shades of canal boats, horses, and boat travel!* Our grandfathers, if they were by chance salesmen, must be squirming around in their graves, and muttering, "what a sales record I would have made if my company had provided me with an automobile or an airplane!" The 1934-1935 sales force is well equipped mechanically; our next survey will take up the sales plans and strategy of the same group of companies.

**Striking Facts About Travel Plans of S.M. Subscribers**

Ross Federal men, calling upon sales heads of typical companies in a wide range of industries, found that:

- a. 95.6% of the salesmen use automobiles in their sales work;
- b. 37.2% of the automobiles used in selling are owned by the company;
- c. 76.5% of the companies pay the salesman's automobile expenses, with mileage allowances the most favored, followed by fixed weekly allowances and itemized expenses;
- d. 41.5% of companies allow their salesmen to travel by airplane when occasion demands;
- e. 63% of sales executives use airplanes when traveling;
- f. As a reason for not using air-

**"Sales and Advertising Plans for 1935"—Subject of December 15 Survey**

We are greatly indebted to the many subscribers who gave Ross Federal men so much of their valuable time. They answered two pages of questions. Their practices and policies on sales travel are described in this issue.

In the December 15 issue we will present their plans on increases or decreases in the sales force for 1935—where they will use the additional men—what they will spend on advertising and other forms of sales promotion, as compared with last year—how the money will be spread out among different types of advertising media, etc.

planes, cost exceeds the "danger" factor by a ratio of two to one;

g. 67.6% sell their goods in foreign countries.

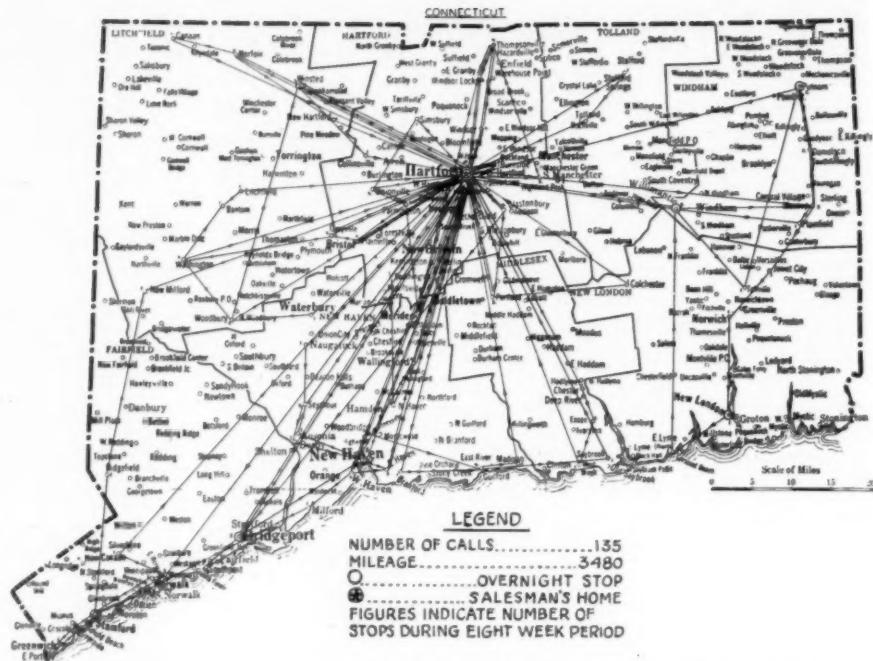
**This Travel Survey Was Made Among These Firms**

Space limitations prevent us from printing the complete list of sales organizations which cooperated with SALES MANAGEMENT and Ross Federal in this survey of travel plans. The partial list which follows indicates the diversity of industries and geographical locations:

California Fruit Growers Exchange  
H. D. Lee Mercantile Company  
The Formft Company  
Alfred Decker & Cohn  
John F. Jelke Company  
Lehn & Fink, Inc.  
The Mack Shirt Corporation  
Seamless Rubber Company  
New Haven Clock Company  
Holcomb & Hoke Manufacturing Company  
Trico Products  
The Wm. S. Merrell Company  
Valvoline Oil Company  
Pittsburgh Plate Glass Company  
Albers Bros. Milling Company  
The S. S. S. Company  
Detroit-Michigan Stove Company  
Frederick Stearns Company  
Goebel Brewing Company  
Kelvinator Corporation  
American Lady Corset Company  
Timken Silent Automatic Company  
Spencer-Kellogg Company  
Rollins Hosiery Mills  
Armand Company  
F. W. Fitch Company  
Behr Manning Corporation  
Rio Grande Oil Company  
Wilson-Western Sporting Goods Company  
Los Angeles Soap Company  
The Gates Rubber Company  
National Cash Register Company  
Iron Fireman Manufacturing Company  
Jantzen Knitting Mills  
Bishop & Babcock Sales Company  
American Fork & Hoe Company  
Apex Rotarex Corporation  
Willard Storage Battery Company  
U. S. Leather Company  
Northam Warren Company  
Williamson Candy Company  
Brunswick-Balke-Collender Company  
Carson Pirie Scott & Company  
International Harvester Company  
The Western Company  
Masonite Corporation  
Bauer & Black  
Hills Brothers  
Remington Rand Company  
Ludlum Steel Company  
A. P. W. Paper Company  
Jacobs Bros. Company  
Winchester Repeating Arms Company  
The Munsingwear Corporation  
Pillsbury Flour Mills Company  
General Mills  
Minneapolis-Honeywell Regulator Company  
Barbasol Company  
Pennsylvania Salt Manufacturing Company  
Sun Oil Company  
Charles E. Hires Company  
Lentheric, Inc.  
Wilbur-Suchard Company

BY  
K. B. KEEFER  
*MacDonald Bros., Inc.,  
Boston, Mass.*

By re-routing salesmen on a more efficient basis, this company reduced the time spent in travel by more than 40% and thus gave salesmen 10% more time to spend in the presence of prospects. Are you paying your men to drive cars—or to see buyers?



*Map I: Present actual travel during eight weeks' period*

# Less Time on the Road and More Time with Buyers

**P**LANNING in advance and control of salesmen's routings save one large company \$25,000 a year on salesmen's travel. At the same time, sales effectiveness is increased by 10%.

As a test, preliminary analyses were made by the company, a distributor selling to 8,000 retail stores scattered from coast to coast. "Present" and "proposed" route maps were prepared and the cost of both were compared. Results showed that salesmen, on their own initiative, are unable to plan their travel wisely or economically.

This concern covers the entire United States with 100 salesmen, a great majority of whom travel almost entirely by automobile. Each man's territory was determined by consultation between the salesman, the district sales manager, and the home sales office. Each salesman also determined his own routing and his point of residence. The procurement of the most advantageous routing and coverage was therefore dependent upon the judgment and ability of the salesman.

Three widely separated territories were selected for detailed analysis. It was believed, and results proved the belief sound, that detailed analysis of each of the 100 territories was un-

necessary to indicate whether or not effective and economical coverage was being obtained with the existing methods. Company policy and the type of commodity sold required calls on all outlets at least as frequently as six to eight week intervals. For this reason, eight weeks' day-by-day travels in each of the three selected territories were carefully plotted on maps. The data were secured through the sales orders, the weekly sales report, and the salesmen's weekly expense statement.

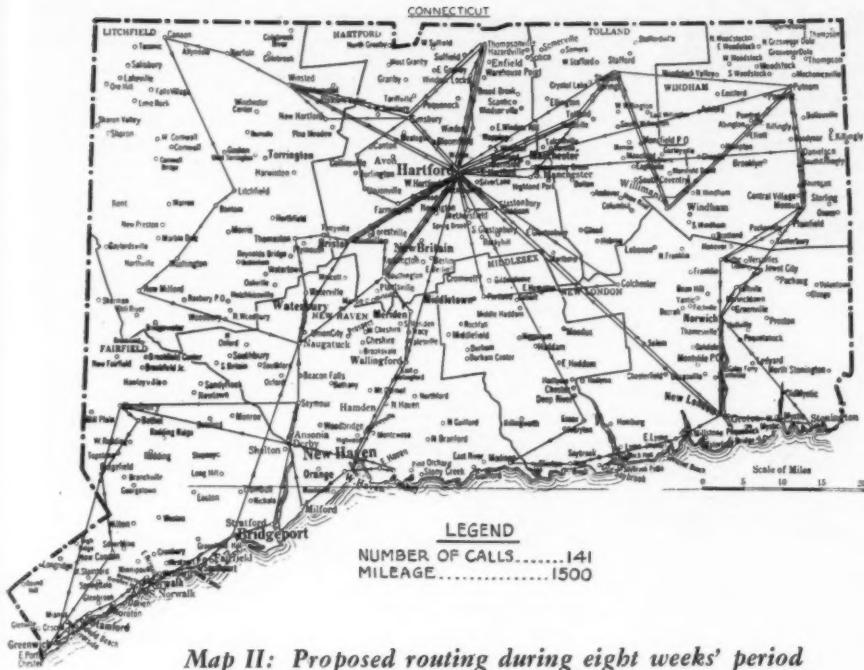
In every case the salesman's residence was located at or near the extreme edge of his territory. This resulted in uneconomical travel because of long jumps and an apparent desire to spend every night at home. In the western territory a peculiar situation was noted. Here a lap-over existed in that two men from adjacent territories made calls in the same town or group of towns. Unquestionably such methods resulted in duplication of effort and unnecessary travel.

The territory of the state of Connecticut was analyzed in detail. This particular territory was selected because the salesman's residence in Hartford is sufficiently close to the center of the district to avoid the excessive travel already mentioned where the

salesman's residence is located near the edge of his district, and also because this territory lent itself well to the desirable circuitous routing.

Map I depicts the salesman's actual travel and time prior to the changes proposed. This map covers an eight week period, and shows the overnight stops, the salesman's home town, the number of times each point was visited, the total miles traveled, and the total calls made. By way of explanation it might be added that while every outlet in the territory (of which there were 150) was supposedly contacted at least once in the eight-week period, there were also included some outlets of greater potential which were contacted more frequently.

The salesman's policy of spending as few nights as possible on the road was apparent in the analysis of the sales reports, and is very clearly illustrated by the routing shown on Map I. During the period considered, the salesman spent only nine nights in hotels. A number of continuous trips between Hartford and New Haven, Hartford and Bridgeport, Hartford and Westport, etc., will be noted. When it is realized that the shortest of these trips required one and one-half to two hours in travel, the ineffective use of the salesman's



Map II: Proposed routing during eight weeks' period

time is apparent. While the saving of hotel expense on the part of the salesman was commendable, the reduced time available for selling because of the large mileage traveled, as well as the cost of travel, made such economies questionable.

The actual mileage shown, 3,480, at an estimated speed of 30 miles per hour, indicated that 116 hours were consumed in driving alone. This amount of time represents 30% of the total available hours in the eight-week period.

In spite of the general company policy of calls at all outlets at least once in eight weeks, there were 15 outlets which were not visited during the period analyzed. Approximately half of these omissions may be charged to credit conditions; but the remainder was due to the lack of proper planned routing.

Map II shows the "proposed" routing. This plan was developed arbitrarily with one fundamental objective: The substitution of circuitous routing, with short distances between outlets, for the present long jumps, and the provision for calls at all necessary outlets with the required frequency. A list of the outlets with present and proposed numbers of calls at each point was prepared, then "cut and try" methods readily evolved the routing as shown on Map II.

A visual comparison of the travels shown on the two maps indicates that a decided improvement in mileage was effected.

Under the proposed routing, nine additional nights are spent in hotels, although the air-line distance trav-

eled, it will be noted, totals only 1,500 and the number of calls made has shown an increase to 141. In the proposed plan, it was recognized that certain back-tracking would be unavoidable; and further, that actual road miles usually exceed air miles. Therefore, to be conservative, an increase of 33 1/3% in the indicated miles was made. This meant that a total of 2,000 miles with the proposed routing would furnish better frequency of calls in the same period that required 3,480 miles of travel under the then existing routing. This plan showed substantial savings of travel time and miles.

The gross direct tangible economies represent \$480 for 9,600 miles on an annual basis (\$0.05 was the average cost per mile in this concern). The nine additional hotel stops plus public garaging represents an expenditure of approximately \$35 for the eight-week period, or \$230 per year. The net tangible economies are therefore \$250 per year.

Prior to the time of this analysis, the average number of calls made per day by all salesmen was between three and three and one-half. Reducing the miles traveled, and consequently the time in travel by over 40% meant that more than 10% of the salesman's total time was saved or rendered available for "selling". It will be remembered that with the original salesman-determined routing, 30% of the salesman's time was spent behind the wheel of an automobile. Increased sales have substantiated the theory that "the more doorbells rung, the more sales" and showed a definite improvement from better routing.

The dollars-and-cents value of planned and controlled salesmen's routing, as well as the intangible advantages, are proved facts. Annual tangible savings of \$25,000 in salesmen's travel expenses are of interest to any company, particularly when the methods that effected this economy also furnished an equivalent sales effort of 10 additional men without cost.

## Big City Wholesalers Do Biggest Volume in Cities Under 10,000

Through personal calls on 142 large wholesalers of groceries, hardware, dry goods and drugs in fifteen large cities in the Middle West, the *Farmer's Wife*, St. Paul, has traced the movement of merchandise from its receipt in the wholesaler's warehouse to the ultimate consumer. The wholesaler's records show that from 40 to 90% of the wholesaler's retail business goes to stores in towns under 10,000.

Seventy-four per cent of the wholesale grocers did 50% or more of their business in farm trading centers; 84% of the wholesale dry goods merchants; 66% of the wholesale druggists; 81% of the wholesale hardware dealers.

After tracing the flow of merchandise from the big cities, the *Farmer's Wife* investigators visited hundreds of retailers in cities of from 2,500 to 10,000 in Indiana, Iowa, Minnesota, Ohio and Wisconsin, for the purpose of determining the ultimate consumption.

Four hundred and four retail grocers were visited; 63.5% of them did more than 50% of their business with farm customers, and the average trading radius was found to be 13 miles.

The 197 retail dry goods merchants had an average trading radius of 18 miles. 83.6% of them did more than half of their business with farmers.

The 229 retail druggists reported an average trading radius of 13 miles, and 64% find that more than half of their business is with farmers.

One hundred and seventy-six hardware dealers reported an average trading radius of 17 miles, and 86.7% reported that half or more of their business was with farm customers.

## Philco's Limited Edition Radio

Philco brings out a radio-phonograph set for the plutocrat market only. Priced at \$600, there will be one for 500 "discriminating Americans. The 509X (its name) combines high fidelity, American and foreign reception, and a fine phonograph playing both long and short records with an automatic record changer." A full page in the *Saturday Evening Post* announced the new model.

BY  
SAUNDERS  
NORVELL

Cartoon by  
Emidio Angelo



¶ Careful, Towser, or you'll lose the one you have!

## Shall We Meet Price Competition by Making a Cheaper Line?

**I**N the September 15 issue of *SALES MANAGEMENT* I wrote about "Some Stumbling Blocks in the Path of Private Brands." As a result of that article I received several letters from manufacturers who have been making and marketing only one line of goods under their own high-quality brands. They say that they are tempted to put out special brand lines of lower quality and at lower prices, not branded with their names, to meet various forms of price competition. They ask what, in my judgment, would be the effect upon their present business if they did this. I will answer them in this article, and will deal not so much with my own judgment on the use of special brands, as with certain consequences that have happened in the past when manufacturers of well-known brands have put out cheaper lines.

First, allow me to lay down a general principle which I am sure is true of the majority of cases where a high-priced branded line of high quality is offered to the trade paralleled with one of lower price and lower quality, not branded, by the same manufacturer. This plan of selling has been adopted by manufacturers in hundreds of cases, and invariably as far as I

No bed of roses awaits the manufacturer who goes out after the price market with a cheap, unidentified line of goods to sell alongside his nationally advertised quality brands. Soon he finds price is his only weapon, and someone who is willing to make poorer products and sell them for still less, is waiting on every corner. Mr. Norvell here points out some of the dangers that face companies adopting the cheap-secondary-line policy.

know, when the two lines were offered, *the drift of the business was always towards the lower priced line, regardless of the difference in finish, the less attractive packages, omission of the manufacturer's name and no advertising on this lower-priced line.*

This principle has been especially true in the last few years when price,

more than ever, has been the guiding factor in the buying of goods. It is a fact that today price has become a most important feature in merchandising, first, because of the smaller amount of spendable money in the hands of the average consumer; second, because of the emphasis placed on price in the merchandising policies of the majority of stores; third, because of the price-consciousness aroused in the minds of the buying public by the daily advertising appeals in the newspapers, and, last, because of the price appeal of the great mail order houses and chain stores.

Unfortunately, it is true that people who are quality-conscious are a very small minority these days, compared with the number of people who are price-conscious.

Now let me write about some actual cases that have come under my observation. There were two large pocket knife manufacturers who built up in this country a very satisfactory business on quality pocket knives. Notwithstanding both foreign and domestic competition, these two manufacturers held their business on the basis of quality. They sold their goods through the hardware jobbers.

A few years ago, however, some of

these jobbers persuaded them to make special brands for them, with the lure of large orders to start with and the prospect of holding the jobbers' trade exclusively afterwards. In the beginning, these jobbers sold both these manufacturers' brands and their own special brands. Of course, they bought their special brands from the manufacturers at a lower price than the manufacturers' own brands, and therefore made a better profit on the special brands. Or, if they preferred, they could sell their special brands to the trade at a lower price than the manufacturers' brands. Then the inevitable happened. The sales of the jobbers' special brands increased to such an extent that they found it unprofitable or undesirable to push the manufacturers' brands. As the years passed, these two cutlery manufacturers found themselves with practically no business except on the special brands sold to the jobbers.

### Cheaper, Cheaper, Then Out

Along about the time of the beginning of the depression came a flood of cutlery made by gyp American and foreign manufacturers, and sold at very low prices. This cutlery was manufactured to look good. It did look good but, as a matter of fact, it was of the lowest possible quality. An expert cutlery man, by taking these gyp goods to pieces, could easily demonstrate how poor the quality was. But retail dealers, salesmen and jobbers were not so particular. The low price and good looks of the gyp goods made them easier to sell. Jobbers' salesmen and retail dealers followed the course of least resistance. They didn't talk quality, they just talked price. As a natural result, the jobbers' salesmen were not slow in telling their houses they could not sell the higher priced cutlery they were carrying. The retailers were calling for the cheap goods.

And then some bright, gyp manufacturer conceived the idea of selling the cheap goods in assortments. It was easier for the salesmen to sell an assortment and be through with it quickly than to sell the various patterns one by one. Now what happened? The jobbers frankly told the high-grade cutlery manufacturers that they had to have lower prices to meet this gyp competition, or they would, in self-defense, have to discontinue their lines.

The manufacturers attempted to compromise. They sold their high-grade goods at lower prices. They tried to make the difference in price up by factory economies. But they actually did not know how to make

cheap cutlery, and as a result they found they could not make any money at the new low prices they had given their jobbers. They could not pay first-class workmen high wages and still meet the competition of low-grade domestic or foreign labor. And today both of these well-known manufacturers of high-grade American cutlery have passed out of the picture.

Let me give you another example of the manufacture and sale of a staple item, this time butcher knives. The butcher knife is a comparatively simple item to make, but for a butcher knife of good quality that will give lasting and satisfactory service there are several rules that must be followed. First of all, the blade must be made of forged steel. Next, the handle must be of generous size. Then there should be at least three rivets through the handle. The wood in the handle should be of good quality. All of these things cost money.

I happened to be the head of a company that made butcher knives on the above basis. At one time a large chain store operator came to us with the suggestion that we make butcher knives for them. The depression was on, and a large order for butcher knives would have helped pay factory overhead, so we talked the matter over with this chain store representative. The first thing he said was that he had to have a butcher knife at a certain price so it could be sold at retail at 25 cents. In other words, we started out with a price.

"But," we said, "it is simply impossible to produce a knife such as we are making for such a price."

### Low Price, Low Quality

"That may be true," said he, "but there are other ways of making a butcher knife. In the first place you can buy a certain rolled steel, not forged, that looks good. You can buy this rolled steel stamped out into the shape of a butcher knife blade. The steel manufacturer will even put an edge on the blades for you, so that takes care of your blade problem. And of course you can make the blade of this knife, to retail at 25 cents, shorter, because it is really not necessary to have the blade go all the way through the handle. Then the handle can be made of a cheaper wood, and instead of having two pieces of wood to be riveted on either side of the blade, you can take one piece, saw it half-way down the center and insert the blade half-way up the handle. Instead of using three rivets it will only be necessary to use two."

"But when this new knife is finished it isn't at all the same as the

knife we are now making," we objected.

"Of course not," said the chain store man, "but it is a butcher knife, and it can be sold at retail for 25 cents."

"That steel won't hold an edge," we said.

"Oh yes it will," he replied, "at least for a month anyhow, and that's long enough for a 25-cent butcher knife."

We didn't accept the order, although it was a large one. But another cutlery manufacturer did accept it; the goods were put on the market to be sold at 25 cents apiece as against 50 cents for our butcher knife, and most people, we regret to say, felt they were getting a bargain in the 25-cent knife.

I haven't the slightest doubt that if we had manufactured this butcher knife to sell at 25 cents and sold it not only to the chain stores but also to the jobbers, the sale of this cheap knife would have practically destroyed the sale of our 50-cent knife. But, of course, we held a certain amount of business on our 50-cent knives. There are still some people who want good cutlery and are willing to pay for it. In any event, our cutlery business is still going, and the company is still selling goods under its nationally known brand. If we had switched off to the 25-cent butcher knife, in a year or two we probably would have nothing—no brand, no reputation, and, most likely, no chain store business either.

There is one most peculiar fact about manufacturing. It is practically impossible to manufacture high-grade and low-grade goods in the same factory. You can't do it, even if you separate your departments and have different workmen on the two kinds of goods. There seems to be something about a factory spirit, or whatever you may call it, that leads to this: If you attempt to make two grades of goods in the same factory there is a constant force that tends to reduce the quality of the high-grade goods and at the same time to increase the quality of the low-grade goods, increasing the cost at the same time.

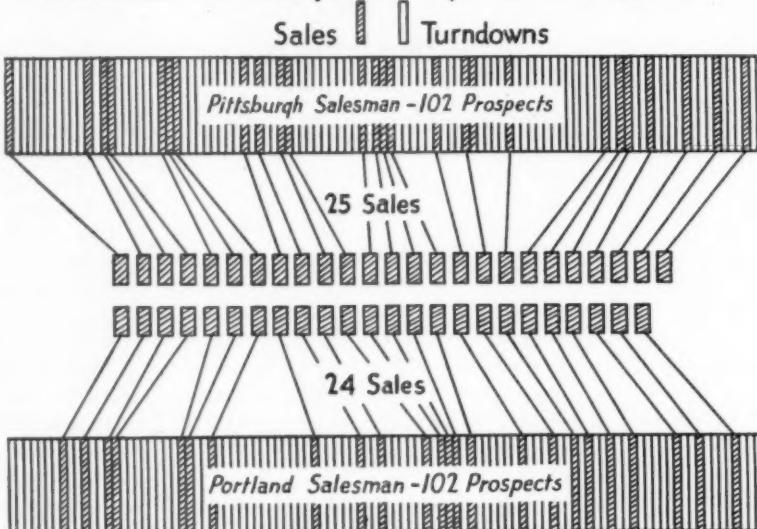
### Don't Straddle the Market

In my judgment, if a factory wants to make high grade goods, it should standardize on that basis and make nothing but the best goods. If they want to make low grade goods, they should standardize on a price basis. Therefore, if a manufacturer has an established business on his own brands, and if the goods are high quality, I believe he is making a serious mistake

(Continued on page 585)

# The More "No's" You Get, the Nearer You Are to a Sale

*Comparison of Results of Calls On Same Number of Prospects By Two Salesmen*



It's the average that counts

THE chart shown on this page ought to be pasted in the notebook of every salesman who finds himself excessively discouraged by turn-downs. It was prepared by George W. Wilson, vice-president of the International Correspondence Schools.

It shows the actual results of 102 calls on prospects made by each of two experienced salesmen. The calls were made in Pittsburgh and Portland. The Pittsburgh salesman sold the first prospect he called on. There were ten failures before another sale was secured. This was followed by another failure, then two sales in succession, and then six failures.

The salesman in Portland made seven calls before he secured a sale. Two failures followed, then a sale, then two more failures, then two sales in succession, then eight failures. Between a sale on the twenty-eighth call and one on the forty-second there were thirteen failures. Between the fifty-sixth call and the sixty-fourth—seven interviews—there were five sales.

"If either of these salesmen had been a new man," says Mr. Wilson, "he might have been discouraged to the point of quitting at times. The Portland man might have decided he was a misfit as a salesman before he sold his first prospect. The same conviction might have gripped the man in Pittsburgh before he sold his second prospect. But because these were experienced men they knew that it is not the sequence of successes but the average that counts."

The chart shows that when each of the two men had completed his 102nd call the Pittsburgh man had sold 25 prospects. The Portland man had sold 24. Although there were long resultless stretches for each man, the average was approximately one sale out of every 4.1 calls for the Pittsburgh salesman, and one sale out of every four and a quarter calls for the salesman in Portland.

The more "no's" you get, the nearer you are to a sale. The only specification is that you must keep on calling, keep on trying, keep on selling.

# Philip Morris Prospers Even More When "Johnny" Calls in Person

MONTH after month the 15-cent Philip Morris cigarette, introduced in January, 1933, continues to rise higher in sales. For the second half of 1934, L. B. McKittrick, president of Philip Morris & Company, Ltd., tells SM, its volume will be from three and one-half to four times as much as in the second half of 1933. It runs now into billions of units annually. And among dealers and consumers alike there are yet no signs of slackening in interest in "America's fastest-growing cigarette." The radio program, broadcast nationally over 60 stations, and supported by magazines, some newspaper and a lot of point-of-sale-efforts, is winning thousands of converts weekly. And that cheerful, diminutive page, "Johnny Morris," has become not only an effective living trade-mark but an extraordinary salesman. He sells not only on the air and through publications and displays, but, increasingly, *in person*.

This does not mean that Johnny makes regular rounds of the trade with an order book and a pack of arguments. It means, rather, his sponsors explain, that he appears as a central and attractive figure on occasions which will make him even more widely remembered and his product more earnestly bought. Though he "samples" Philip Morris to prominent people, from governors and admirals to ball players, he sells himself. And thus in the process he sells both the cigarettes and the company which makes them.

## Dealers Call for Johnny Morris

It was not Philip Morris & Company, but its dealers who started Johnny "on the road." To local celebrations of one kind or another the dealers thought his presence would add a stimulating touch. His "guardians," Mr. McKittrick and M. J. Sheridan, who, president of the affiliated Continental Tobacco Company, also supervises Philip Morris' advertising, did not doubt this. But they feared that personal acclaim might impair his health or turn his head. Besides, if they granted requests of some dealers they would have to grant them to others. And they could not send him very far, for he must be in New York every Tuesday for radio rehearsals and broadcasts.

BY  
LAWRENCE  
M.  
HUGHES

"Johnny Morris" got an ovation at the Rodeo at New York's Madison Square Garden last month . . . and the sight of these champion bronco-busters smoking Philip Morris's probably made a lot of the audience ask for them, too.



About a year ago, however, some six months after this young Italo-American had left his job as page boy at the Hotel New Yorker and had gone on the air as the personification of Philip Morris, Mr. McKittrick and Mr. Sheridan decided to meet a request to send him to a druggists' convention in Boston. Johnny went, received a Prince of Wales welcome, and kept his head. Even his call on the Governor of Massachusetts left him unflustered.

Johnny went in his converted Austin car, driven by his 60-inch chauffeur. A motorcycle police escort was called out to supervise him in Boston, and to clear the way through crowds. After Boston he was to call at Providence, Worcester and Hartford en route home. The word of his coming preceded him. The Boston police took him carefully (he is only 43 inches high) to the Providence line. Providence police then accepted the responsibility, brought him to their Mayor and other officials, and on to meet the Worcester escort. And so on. Johnny got to know police and city fathers, as well as a lot of dealers and other people pretty well before his first "tour" was ended.

This was just the start of the Johnny-at-the-party movement. His trips were spontaneous at first. They

are more planned now. With Johnny in the center of the stage, Philip Morris & Company is going in more strongly for showmanship. But the invitations are still pretty spontaneous, and even more are the welcomes. The company cannot plan all the ways in which the Philip Morris name and personality happen to be projected.

A couple of weeks ago, as guest of other dealers, Johnny went to Syracuse. Among other "calls," he attended the Syracuse-Colgate football game. To the 37,000 people in the stadium Johnny Morris—in his Philip Morris uniform, of course—was introduced. He received an ovation. That was at the start of the game. During its progress "Call for Philip Morris!" became part of the yells on both sides. He stayed over in Syracuse that night. The next day, in the company of the mayor and the presence of 7,000 other cigarette customers and prospects, he helped to launch the hockey season.

Specific figures of what Johnny's presence in a town does to Philip Morris sales there are usually difficult to obtain. The effect, at any rate, is not wholly immediate. But in Syracuse Mr. Sheridan tells of a stimulating example. One store there had sold 8,000 Philip Morris cigarettes in the previous month. That was just about

(Continued on page 587)

Photos of Messrs.  
McIntire, Peabody  
and West by Blank-  
Stoller; Haase, by  
Chidnoff; Bristol,  
by Dudley Hoyt;  
Lichtenberg, by  
Bachrach



Author Haase



President McIntire



Trustee Bristol



Chairman of the  
Board Peabody

At top, Mr. Haase, who compiled the study on the theory, law, and practice of advertising agency compensation for the three trustees of ANA: Messrs. Bristol, McIntire and Peabody.

# ANA Discusses Agency Compensation; Announces Ad Research Foundation

**O**N the trains going to Atlantic City for the Convention of National Advertisers being held there within the fortnight, one could hear many important people in the publishing and advertising world talking about the ANA study of advertising agency compensation (reviewed in the last issue of this magazine). In the rooms and corridors of the convention hotel, the same topic held greatest attention. On the trains going back home, one could still have his ears filled with pro and con discussion on this same obviously important subject.

All this is really not so very hard to understand because the so-called standard method of agency compensation has been in the limelight of debate and of research over a period of many years. In fact, there is so much to be said on both sides that there is some reason to doubt if the effect of the ANA study will be as far reaching and as immediately epoch-making as some of the ANA members may anticipate. On the other hand, there are pretty definite reasons for believing that the ANA study will focus not only a great amount of additional attention on this matter, but that it will have a direct bearing on the relation between advertisers and their agents in an appreciable number of instances.

## Chiseling Outlawed

To a reporter merely engaged in the task of listening, it seems evident that a fair percentage of the ANA members propose to take the report quite seriously and to do something specific about it, whether that be a little or a lot. On the other hand, it looks as if the activities of ANA along this line will result in a closer and more friendly alliance than ever between publishers and agents, primarily to the ends that compensation of advertising agents will not be subject to direct chiseling; that the credit structure will not be impaired, and that price chiseling will not be subsequently attempted against the owners of advertising media.

Insofar as this trend is concerned, it appears from the remarks of Lee Bristol and other ANA leaders, that many advertisers, even though unsold on the present compensation system as a system, will go far toward discouraging

those advertisers who might attempt to make price warfare out of the ANA study. Be all this as it may, the fact remains that the agency compensation study was and still is the biggest news of the convention and its echoes in one form or another and in one direction or another are likely to be heard for a long time to come. The study itself, as previously reported in *SALES MANAGEMENT*, was made by Albert E. Haase for Lee Bristol, Allyn B. McIntire and Stuart Peabody as trustees of ANA.

In the address with which he closed the convention, Allyn B. McIntire announced the advent of the new Advertising Research Foundation, to be fostered by ANA "in the interests of mutual cooperation between all established advertising factors." He went on to say: "It will be dedicated to the sound development of advertising and, through the establishment of better methods and practices, the furtherance of American business.

## Foundation to Guide Only

"It will perform the functions of directing, supervising and guiding the work of those major research ideas which offer promise of providing results of greatest value to the greatest number. There are a number of undertakings of this character, earnestly desired by all advertising interests, which no one group has had the resources to carry through without assistance.

"Lest any established research organizations get the idea that the ANA is going into competition with them, let me state that this is not the case. The foundation itself will not engage in actual research work. This will be done by organizations and individuals the trustees consider best qualified for the particular tasks."

The plans for financing the new project were not revealed, nor was there any release of details with respect to the first few research activities which will be taken up by the new Foundation. Reading between the lines, however, one is led to suspect that certain sizable underwritings are known to be in the offing and, hence, it is not unreasonable to conclude that the new Foundation will soon be establishing itself as one of the important

factors concerned with the evolutionary development of advertising and with the protection of advertising as a necessary part and parcel of the American economic system.

So much for the highlights—or rather the highest lights, because the balance of the convention program, served up by Robert J. Flood and his program committee, was replete with interesting talks and presentations.

Sunday evening was given over to a non-shop informal buffet supper. Monday morning was a closed session in which Allyn B. McIntire delivered his presidential report on Association affairs, and Managing Director Paul B. West presented a review of the major ANA activities. Then came the private discussion on the ANA agency compensation study led by Lee H. Bristol and supplemented by A. E. Haase, as compiler thereof, and I. W. Diggers on legal angles. Ken R. Dyke, of Colgate-Palmolive-Peet Company, then made the report of the Copy-Testing Committee. At the members' luncheon, John W. Scovill, of the Chrysler Corporation, made an elaborately illustrated presentation under the heading "Advertising Through the Green Goggles of the Statistician." The afternoon was given over to group meetings, also closed except for ANA members, on business products, department store merchandising, drug and toilet articles, grocery products, industrial advertisers, insurance advertisers, paint and hardware and petroleum. In the evening, there was a radio group meeting.

#### Among the Speakers:

Tuesday morning, also closed, featured the following: Robert J. Flood, of the Gulf Refining Company, on "Some of Our Immediate Advertising Problems"; Dr. George Gallup, Young & Rubicam, Inc., on "How Large an Audience Does Your Advertising Dollar Buy?"; John Caples, of Batten, Barton, Durstine & Osborn, Inc., on "Tested Advertising"; Harold C. Lund, of Ross Federal Service, Inc., on "Checking Advertising Sales Influence" and H. M. Warren, National Carbon Company, on "Comparison of Trade Paper vs. Direct Mail Advertising."

At the close of the morning session elections were held, as a result of which Allyn B. McIntire, vice-president of the Pepperell Manufacturing Company, was re-elected president; Turner Jones, The Coca-Cola Company, Ralph F. Rogan, the Procter & Gamble Company, and W. B. Geissinger, California Fruit Growers Exchange, were re-elected vice-presidents; and Paul B. West was re-



Director  
Lichtenberg

elected managing director and secretary-treasurer. Three new directors were elected, namely: Ray Leavenworth, Westinghouse Electric & Manufacturing Co.; Harold B. Thomas, the Centaur Company; A. O. Buckingham, Cluett, Peabody & Company, Inc.; W. A. Hart, E. I. duPont de Nemours & Company, Inc., was re-elected director. The hold-over directors are Stuart Peabody, the Borden Company, chairman of the board; Allan Brown, the Bakelite Corporation; W. J. Daily, General Electric Company; Robert J. Flood, Gulf Refining Company; Bernard Lichtenberg, Alexander Hamilton Institute; Ken R. Dyke, Colgate-Palmolive-Peet Company; A. T. Preyer, Vick Chemical Company, and Joseph M. Kraus, A. Stein & Company.

#### Gives Washington "Lowdown"

Beginning with the luncheon Tuesday, at which Willard M. Kiplinger gave his inside viewpoint on the goings on in Washington, the meetings were open to the guests and were attended by the largest numbers for many years. Following "Kip," as he is so well known to ANA members, Dr. G. B. Hotchkiss, Professor of Marketing, New York University, talked illuminatingly on grading as currently proposed by members of the Department of Agriculture. His presentation constitutes one of the most formidable and factual arguments against grading that has been presented anywhere. Bernard Lichtenberg, Alexander Hamilton Institute, in his role as chairman of the ANA Government Relations Committee, talked next on "The Government, the Consumer and the National Advertiser." Throughout his talk he made it clear that ANA has been keeping in intimate touch with developments in Washington as they affect advertising. His report did not seem overly fearful of what will be forthcoming from Washington, but throughout he indicated the necessity of eternal vigilance in order that lesser lights in the Washington arena might not break forth with panaceas, refor-

mations or pet ideas calculated to harass those concerned with advertising as a practical business.

Raymond Bill, editor of *SALES MANAGEMENT*, in his capacity as chairman of the Legislative Committee of the Alcoholic Beverage Advertising Council, was invited to describe the developments as regards Federal adver-



Managing Director  
and Secretary-  
Treasurer West

tising regulations in the liquor industries. He outlined the trends in the liquor field which appear to be of a possible precedent-setting nature for advertising as a whole.

At the formal banquet Tuesday evening, the speakers were Arthur D. Whiteside, member of the National Industrial Recovery Board, and H. Napier Moore, editor of *Maclean's Magazine*, Canada. The entertainment was furnished by CBS.

#### Wednesday's Session

Wednesday morning was open. Paul Hollister, executive vice-president of R. H. Macy & Company, talked on "A formula for the Reduction of the Cost of Distribution." In the course of it he made an impressive plea for lower prices to the consumer and to this end the elimination of price fixing measures in the codes. Dr. Miller McClintock, director of Harvard University Bureau for Street Traffic Research, then described in considerable detail the new method of determining the relation between traffic and trade and the possibilities which are currently opening up for the use of this method in determining sales quotas, territory potentials, etc. Lee Bristol then talked before the open meeting on the ANA study of agency compensation. It was intended that an open forum then be held on the same subject, but by the time Allyn B. McIntire had finished his address as the re-elected president (in the course of which he announced the new Advertising Research Foundation) there was no time left for comments from the

(Continued on page 581)

# Congress Likely to Pass Laws On Advertising and Labeling

Washington, November 27

The set-back received by the durable goods industries, sustained when Federal Housing Administrator Moffett and Public Works Administrator Ickes clashed at the sound of the housing gong, has been doubly retrieved.

The first counterbalancing effect toward a continuation of the stimulation wished by the Administration was found in the Hutchins report, which puts special stress on the necessity for increasing foreign trade. The capital goods must survive.

In this connection it is interesting to note that Ambassador to Washington from the Soviet States, Mr. Troyanovsky, returns to this country toward the end of this month, at which time he will carry in his brief case additional overtures for the settlement of the Russian debt question. An optimism pervades Washington that he will be eminently successful in obtaining for his country a moderated version of the concessions desired, including the \$100,000,000 revolving fund to be used for financing durable goods exports—among others, including agriculture and lumber—to Russia.

The shot in the arm given the capital and heavy industries is a consolidation impending for all of the housing activities of the Government. The problem of who will head this new combined organization—productive not only of efficiency but also of economy—is not, at this writing, settled. But FH Administrator Moffett is the name most frequently mentioned in this connection. Mr. Moffett succeeded in making the country understand the Housing Act, complex and obtuse legislation that it is, and in showing the country concrete examples of its benefits. The Administration has been reminded by Mr. Moffett and is bearing in mind the fact that Great Britain had no substantial recovery until their housing program became effective with private funds, that the vast expenditures of public works were without their sustaining effect of good, and that the British officials reiterate their decision never again to partake of such an overdose of government spending.

## Food and Drug Bills

With an attitude personifying the theory of never-say-die, the Food and Drug picture is leaping onto the legislative screen for another Congressional

bout. This time it may be announced as the "winnah."

Laboring under what was at that time the drag of Under-Secretary of Agriculture Tugwell's name, food and drug proposals suffered a rather ignominious defeat. Even the revised version offered by New York's sedate Senator Copeland could not remove the ill-fortune that surrounded the misnomered bill. For it is quite true that Tugwell did not draw up the control proposals for the food and drug commerce; they were the consensus of the Department.

The Copeland measure differs from the Department of Agriculture proposals in that it compromises with the trades. And while Secretary of Agriculture Wallace has recommended that the Congress pass his Department's proposals, if the matter were to come to a show-down, he would back the New Yorker's bill rather than see the session close without any new control features being enacted.

This may not be necessary. Secretary Wallace has added prestige to himself and to his Department with the publication of his book "New Frontiers," and Dr. Tugwell has not lived entirely up to the red epithets which were hurled at him during the last session of Congress. With the country more favorably disposed toward these two men, with the Administration receiving such hearty applause at the recent polls, it may well be that the Agriculture measure—completely disassociated from the name of Tugwell, and joined with a Congressional sponsor (perhaps Copeland)—will move through both Houses of Congress and be signed by the President.

## The Label Controversy

Closely allied with this is the bitter controversy waging between officials of the NRA and other Government stations and the canners and grocery packers. The point at issue is just what should be placed on the labels.

The President is in favor of the labeling provisions proposed by Division 6 of the NRA. Mr. Armin W. Riley, Division Administrator, is, furthermore, acting in the matter on orders from the White House.

The way the matter is presented by Mr. Riley and construed by the Administration generally, there is little difference between the proposals of

the canners (see article below)—ready to make some amendatory concessions—and those of the NRA other than simplicity. The NRA claims the blue ribbon for that.

Washington believes that the objection to the Administration proposals seems to be in that they bring into public parlance the marketing terms used in every-day transactions: fancy, choice, and standard. These, perhaps, so they say, would not be so bad were it not for the fact that they are combined with the grade specifications A, B, and C. The resultant labels proposed by the Administration are Grade A—Fancy, Grade B—Choice, Grade C—Standard. Contrasted with this, the canners have proposed—and but one label of the 144 drawn up for canned corn is given—"Semi-Sweet. Not tender. Practically free of silk and husk."

The Administration seems to favor the Dole Pineapple selling features, with their clearly marked and graded cans, 1, 2, and 3, epitomizing their three grades of pineapple. They hold also to the contention that their regulations are less stringent than those which the canners say they would place on themselves, but that they are more simple and so more easily understood by the consuming public.

## Losing Fight for the Canners

Evidence of the canners' dissatisfaction with the Administration is to be had from the recent meeting of the Associated Grocery Manufacturers of America. The Association wished to have a word from Mr. Riley, the NRA Administrator in charge of their codes, from Mr. Richberg, the general head of the NRA organizations, and from the White House. Mr. Riley and Mr. Richberg both made speeches. Mr. Roosevelt sent a message. Since there had already been made arrangements for the broadcasting of the speeches, nothing could be done about hushing Mr. Riley and Mr. Richberg. But the Roosevelt message was stilled in the night. No inkling of its being received even was given out to the press. And yet it was sent. The reason is obvious: no one is anxious publicly to exhibit a rebuke.

Many things portend to a losing fight by the canners—though that they are fighting, most of Washington is now fully aware—and passage of the so-called A.B.C. regulations by the code authorities. Certainly if the Administration has its way the canners will lose. And this does not appear to be the Administration's losing season.



# DAILY MIRROR

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Entered as second class matter Post Office, New York, N. Y.

VOL. XI. No. 131

New York, Friday, November 23, 1934

2 cents IN CITY 3 CENTS ELSEWHERE



MURRAY HILL 2-1000

*I have recently undertaken the direction of the New York Daily Mirror, a tabloid newspaper that now has more than 500,000 circulation daily, more than 1,000,000 Sunday.*

*Deeply interested in this work, I wish business and other friends, and those with whom The Mirror comes in commercial contact to know of my association with the New York Mirror.*

*The Mirror is a newspaper planned to represent the period in which we live, emphasizing brevity in expression, and the use of illustrations that tell their story more quickly than words.*

*I hope to make The Mirror increasingly useful to its readers and serviceable to business men through their advertising.*

*I believe that The Mirror can be made one of the most useful newspapers in America, advising and informing the young, for their good, while earning the respect and encouragement of older men and women. I shall be grateful for suggestions for improving The Mirror and particularly grateful for frank criticism.*

*Sincerely,*

*Arthur Brisbane*

ARTHUR BRISBANE

# Laundries Defy Machine Makers in Door-Step Battle for Nation's Wash

THE laundry owners of the nation have blood in their eye. They are out to win more business from home washers by advertising, by baiting customers with bargain prices, by turning their 65,000 routemen into a selling army. Washing machine manufacturers, their natural enemies, are taking notice.

The depression hit laundries hard enough to hurt. Business volume sloped down more than 35% between 1929 and 1933. This year a slight increase is appearing. What the new burst of selling activity, which becomes national this month, will do to volume remains to be seen.

The American Laundry Machine Company, now running a winter big-space *Saturday Evening Post* schedule to housewives, is playing a major part in the new stimulation. After proving, in a 13-week Kansas City test last Spring, that bargain prices on wet wash, good newspaper advertising, and fresh selling efforts by routemen and other employes would build business, the company has offered newspaper mats and promotion material at cost to laundries everywhere. This month acceptances came in from 131 cities. In 40 of these cities groups of laundries are advertising cooperatively, using uniform low prices for some special kind of service to get bundles into their plants.

## Urge 3% for Advertising

This new activity is right down the line advocated by *Laundry Age*, which for months has been urging laundries to use price appeal and at least 3% of their total revenue for advertising. The awakened industry now appears to be responding. And the use of the magazine's courses of salesman's training to subscribers has been steadily rising.

In some quarters men are waiting with breathless interest to see whether this new war for washing, between laundries and washing machines, is going to break down the "gentlemen's agreement" against mudslinging between the two industries. Such a compact was first made in 1928 to stop machine salesmen from using the "unsanitary" and "tear-your-clothes" arguments against laundries, and to prevent laundries from replying with frightful charges against the danger element in the use of electric washers.

(Right) Sleek bundles, sleek routemen, sleek trucks help laundries in their new battle for business.

(Below) Laundries in 131 cities this month begin to run "bargain price" copy like this in new advertising campaign spreading over the nation.



This agreement was reaffirmed two years ago in an exchange of letters between the American Washing Machine Manufacturers' Association and the Laundryowners National Association.

Today laundry trade journals suggest editorially that machine companies are asking release from the agreement. Manufacturers deny this.

Home washer sales currently are behind those of September and October of last year—93,000 in September against 132,000 a year ago; 96,000 in October against 103,000—but total sales for the first nine months of this year still hold a 19.6% lead over the same months of 1933. It will soon be lost if the present monthly rate of decline continues.

Washer dollar volume is down. That hurts the manufacturer most. Two-fifths of the household washer industry's competitive volume is being sold at or below cost, according to J. R. Bohnen, secretary of the American Washing Machine Manufacturers Association.

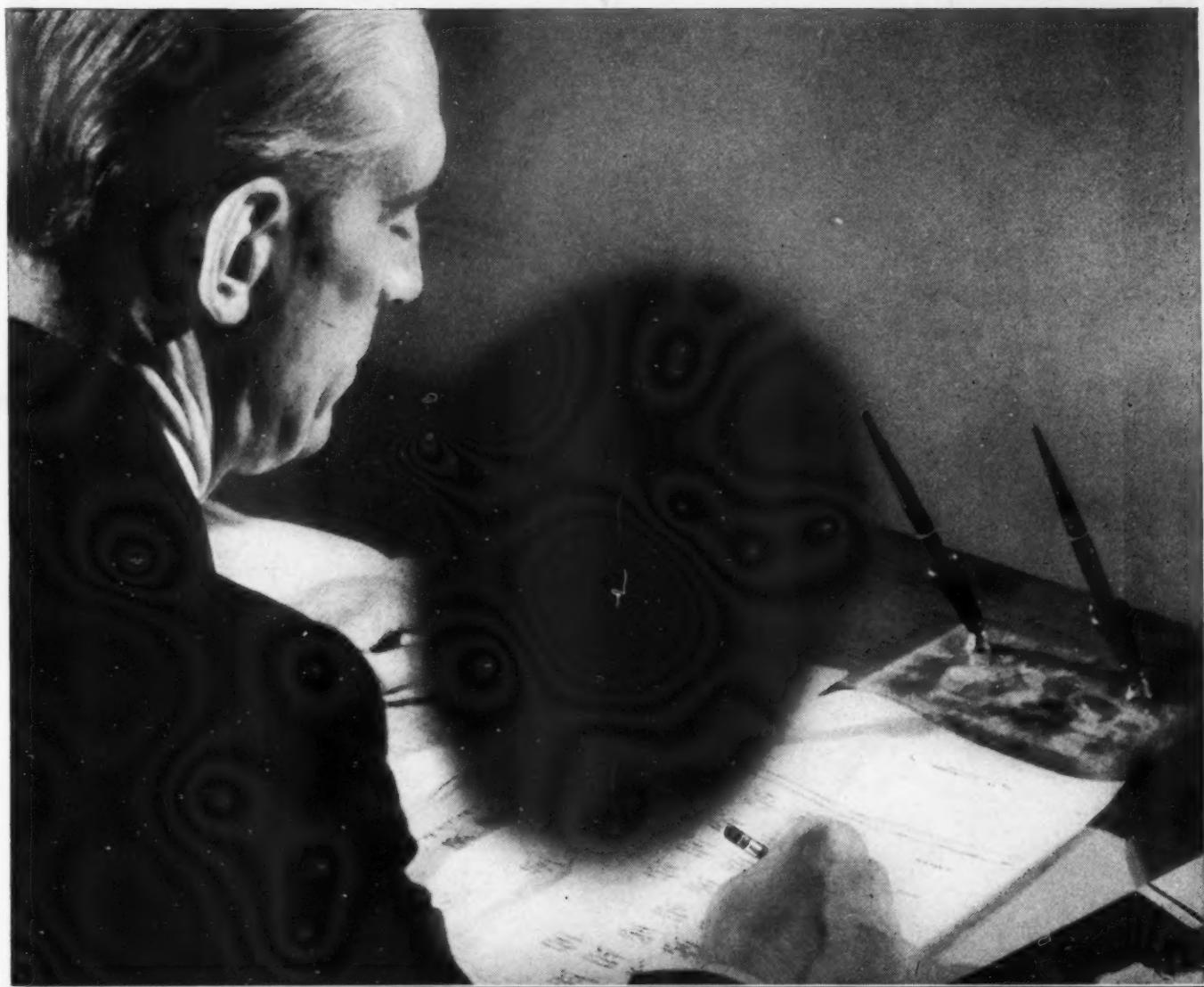
Prices last year began to slant off noticeably. The standard "stripped-down" electric washer and wringer that the manufacturer sold in 1931 for \$69 to \$79 now brings him \$26 or \$28. And resulting drops in retail prices have been so great that a 40% selling margin which once gave the distributor \$50 to \$60 to play with on \$110-to-\$165 machines has shrunk down to so few dollars on \$49-to-\$69 machines that he cannot afford to keep big selling forces in the field.

Department stores have taken volume away from specialty selling, too. Their low prices and easy finance plans have attracted a good many purchasers. This business evidently has not been too profitable for stores. Controllers' Congress figures for 1933 show that electric appliance department net losses ranged from about 2 to 6%. So stores are turning to doorbell selling.

Important business papers of the electrical appliance industry, such as *Electrical Merchandising* and *Electrical Dealer*, are editorially urging that selling pressure can be renewed by distributors. This battle with laundries must be fought at the nation's back doors.

Up to now the new laundry threat

SALES MANAGEMENT



## A Blind Spot in Advertising Planning

No matter how careful the selection of media, how brilliant the copy, an advertising campaign cannot succeed unless consumers are able to locate authorized dealers.

Many agencies and advertising managers overlook this fact. But such advertisers as Frigidaire, De Soto, Mimeograph, Philco, Goodyear (and others) have seen the need and have included "Where to Buy It" Service in their budgets. By identifying their dealers in this way they increase sales . . . check substitution.

Under this low-cost dealer identification plan the advertiser lists his trade mark in classified telephone directories wherever he has distribution. Authorized dealers list their names below the trade mark. Prospects are then able to locate dealers easily and quickly.

Full information about this service — and about consumer usage of the classified directory — on request.

AMERICAN TELEPHONE & TELEGRAPH CO., Trade Mark Service Division  
195 Broadway, New York (EXchange 3-9800)  
311 W. Washington St., Chicago (OFFicial 9300)



DECEMBER 1, 1934

**CLASSIFIED TELEPHONE DIRECTO**

**Furnaces-(Cont'd)**

0357  
2382  
2790  
1463  
560  
867  
168  
20  
58  
33  
12  
15  
60  
9

**HOLLAND FURNACES**

Repairing and cleaning all makes of heating systems. Call an experienced Holland Heating Engineer to solve your heating problems. Telephone our local branch.

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Kirkside  
Leins  
Loch

Seneca....CL 915-1815  
Furnaces....WA 815-4360  
Twin...RI 4197  
Minneapolis...UN 9267  
Burn Av...LI 915-0204  
Following Page

**AMERICAN TELEPHONE & TELEGRAPH COMPANY**

[ 563 ]

has not been met by the American Washing Machine Manufacturers' Association. Machine makers, however, tell *SALES MANAGEMENT* they are framing their own individual resistance. Their tactics are still under cover and no noticeable rise in machine advertising to the public has appeared.

The first real attempt of laundries to make an organized battle for business with price as the bait began in Milwaukee in 1932. The local laundry association, offering "15 pounds of wet wash for 49 cents," increased the number of customers and raised total volume somewhat. A few other nearby cities in Wisconsin tried the same plan. Newspaper space did most of the fighting. But laundry owners throughout the country did not like the idea of lowering prices, even on damp wash. So the plan did not spread at once.

Last winter the American Laundry Machine Company took up the cudgels. It went into Kansas City with a house-to-house survey reaching about 2,700 homes to show the local laundries their own market opportunities. The survey showed that only about half those homes had washing machines—28% of these machines were over 10 years old—and that the biggest reason why people didn't send washing to the laundry was because they had an idea the cost was high. Of course a great deal of other data was amassed too.

### Curing Blue Monday Blues

The company sold the Kansas City laundries on backing a 13-week campaign in which it would run quarter pages in the *Kansas City Star* every Sunday—the day before "blue Monday"—and would train laundry routemen and other employes in selling methods if the laundries would agree to maintain a damp wash price of 16 pounds for 49 cents and 3 cents for each additional pound.

The campaign was successful. Using the "bargain price" allure on damp wash as a leader, and putting selling ideas into the heads of routemen increased the total revenue of 29 laundries \$10,544 a week over the week just prior to the start of the drive. Bundles of damp wash reaching 37 laundries increased from 1,247 and a revenue of \$989 the week before the campaign to 6,205 bundles that brought an intake of \$4,043 the thirteenth week. Services other than damp wash increased a little, too. Incidentally, sales of washers in Kansas City declined noticeably during the 13 weeks.

The campaign appears to have sold laundries all over the country on the practicability of strong advertising, snappier selling by routemen and a

general awakening of laundry owners to business opportunities at their doors. Also it convinced a good many doubting Thomases that by good management they can handle a large volume of damp wash at a lower rate than they had thought possible. Today "specials" on various laundry services—damp wash, "thrifty wash," and so on—are appearing in many cities.

The laundries of Cleveland start a "Kansas City plan" campaign December 2. Other big cities are falling in

line with advertising campaigns using either American Laundry Machine Company copy—tied in with the company's current *Saturday Evening Post* schedule of double-spreads—or copy prepared locally. Many laundries or groups of them are using the company's film training course for routemen, supplied with projectors at cost.

Thus the nation's laundries, great and small, and their 65,000 deliverymen are going into battle with fire in their eyes.



Photo by Dix Duryea, Inc., N. Y.

Looking aft from the lounge of the utilities company's business plane.

### Cities Service Heads to Cover Country in "Conference" Plane

Combining utility and the utmost in comfort, Designer Henry Dreyfuss transforms a Douglass Air Transport for busy Cities Service executives. The sound-proofed, automatically heated plane enables officers of CS to make the rounds of the branches in 10 days as against 4 weeks by less modern methods of transportation.

The plane will accommodate 15 in the lounge and conference room. Connecting are a lavatory, galley and separate pilots' quarters. The interior is paneled in flexwood with a ceiling of contrasting light color. Two overstuffed couches in the lounge with four leather arm chairs comprise the seating facilities. In the conference room is a folding table and four big arm chairs convertible into sofas.

The specially built-in radio and radio telephone permit two-way communication with both the ground and the pilots. On the walls hang maps showing the location of all CS branches.

Everything in the galley is designed

for lightness of weight without sacrifice of convenience. Thermos containers keep food hot or cold, and simple menus may be served while the plane is in flight. Walls of the lavatory are finished in "Salubra," a washable fabric.

In addition to a saving of travel time, the air liner makes possible the transaction of business while in flight, and enables home office executives to keep in close touch with a far-flung sales and distribution organization.

### Chase and Sanborn Replaces Eddie Cantor with Opera

Beginning December 2, Chase and Sanborn begins a Sunday evening full hour of grand opera to succeed three years of fun and music by Eddie Cantor and other stage entertainers of fame. Deems Taylor, who will act as narrator, says of the new program: "We're not trying to educate anybody. On the contrary we hope to prove that no one needs any special training to enjoy grand opera. These will not be the traditional opera performances. One hour is too short a span of time for that."



re

D

# rely upon Business Papers

**-As long as they and we exist  
they will continue to help us"**

The Bendix Aviation Corporation is continuously and aggressively engaged in developing new ideas, new products. This quality of open-mindedness and dissatisfaction with things-as-they-are is exemplified in the company's attitude toward business papers. Their executives and technicians are eager and careful readers of the well-edited business papers. *They rely upon them as a source of news and stimulating ideas.*

And so do their best prospects. From the very beginning, as Mr. Bendix points out in his letter on the left, the company has made business paper advertising an important part of the sales promotion activities, and today is using 55 business papers. *Business papers, to him, are as important as the tools in his plants.*

Through business papers the company sorts out the audience for its varied products. Their far-flung industrial empire embraces more than twenty subsidiary companies which manufacture

and sell automotive, aircraft, marine and industrial products, with plants in a dozen American cities and several foreign countries.

It is said that no airplane flies in America that is not fitted with Bendix instruments, and their products have equipped more than 50,000,000 automobiles. Starting, running, or stopping, the control of power in your car, truck, bus, or airplane—or even your motor boat—is more than likely a Bendix responsibility. Automotive men are agreed that when Vincent Bendix originated the self-starter he doubled the market for cars.

*Aggressive sales promotion, in which business paper advertising is an important factor, is translated into profits by Bendix.* Last year the company's net income exceeded that of the comparatively good year of 1930, and the per share earnings for the first half of 1934 were up 177 per cent over the corresponding period last year.

This Bendix analysis is number 2 of a series sponsored by the publishers of the following leading business papers who asked *Sales Management* editors to interview outstandingly successful business paper advertisers.

AMERICAN BUILDER and BUILDING AGE, *Chicago*  
ARCHITECTURAL RECORD, *New York*  
AUTOMOTIVE MERCHANDISING, *New York*  
BAKERS REVIEW, *New York*  
BAKERS WEEKLY, *New York*  
BOOT AND SHOE RECORDER, *New York*  
BUILDING SUPPLY NEWS and HOME APPLIANCES, *Chicago*  
CHAIN STORE AGE, *New York*  
CHEMICAL AND METALLURGICAL ENGINEERING, *New York*  
CONFECTIONERS' JOURNAL, *Philadelphia*  
DOMESTIC ENGINEERING, *Chicago*  
DRY GOODS ECONOMIST, *New York*  
ELECTRICAL DEALER, *Chicago*  
ENGINEERING AND MINING JOURNAL, *New York*  
FLEET OWNER, *New York*  
HARDWARE AGE, *New York*

HOUSE FURNISHING REVIEW, *New York*  
HOTEL MANAGEMENT, *New York*  
IRON AGE, *New York*  
JEWELERS' CIRCULAR, *New York*  
MACHINERY, *New York*  
MARINE ENGINEERING AND SHIPPING AGE, *New York*  
METALS & ALLOYS, *New York*  
MILL AND FACTORY, *New York*  
NATIONAL PETROLEUM NEWS, *Cleveland*  
NATIONAL PROVISIONER, *Chicago*  
OIL AND GAS JOURNAL, *Tulsa*  
PROGRESSIVE GROCER, *New York*  
REFINER and NATURAL GASOLINE MANUFACTURER, *Houston*  
RESTAURANT MANAGEMENT, *New York*  
RUG PROFITS, *New York*  
SALES MANAGEMENT, *New York*  
TIRES, *New York*

**Advertisers Profit from the Reader Confidence**  
**Which These Well-Edited Business Papers Create**

# SM's Sectional Index of Business

For a long time the editors of *SALES MANAGEMENT* have been acutely conscious of a demand for more detailed and more up-to-date statistics on business conditions than were available in other magazines or newspapers. There is no dearth of estimates of *national* indices of production, retail sales, business activity and the like, but very few sales executives look at the country as a whole.

They know from experience that while the national composite may be, let's say, 30% below normal, there are some sections which are only 20% below, and others which are 40% below. Quite naturally the man in charge of sales wants to have as detailed a breakdown as possible so that he may know where he can best apply pressure—and he wants these figures while they

are still fresh enough to be applicable to his problems.

For more than a year our statistical staff, under the direction of Ray B. Prescott, has been working on the problem. Now, after numerous experiments and detailed study of test results over many months, we are starting with this issue a breakdown of business activity for the nine major sections of the country, which will appear in the first issue of each month.

The figures will be only thirty days old, when they reach you. *They are based on a weighted index of bank debits and retail sales.* Theoretically, bank debits are a perfect record of business conditions, because 90% of commercial activity is handled by checks rather than cash, but they have a slight weakness in that bursts of

speculative activity cause greater fluctuations than is true of the business picture as a whole.

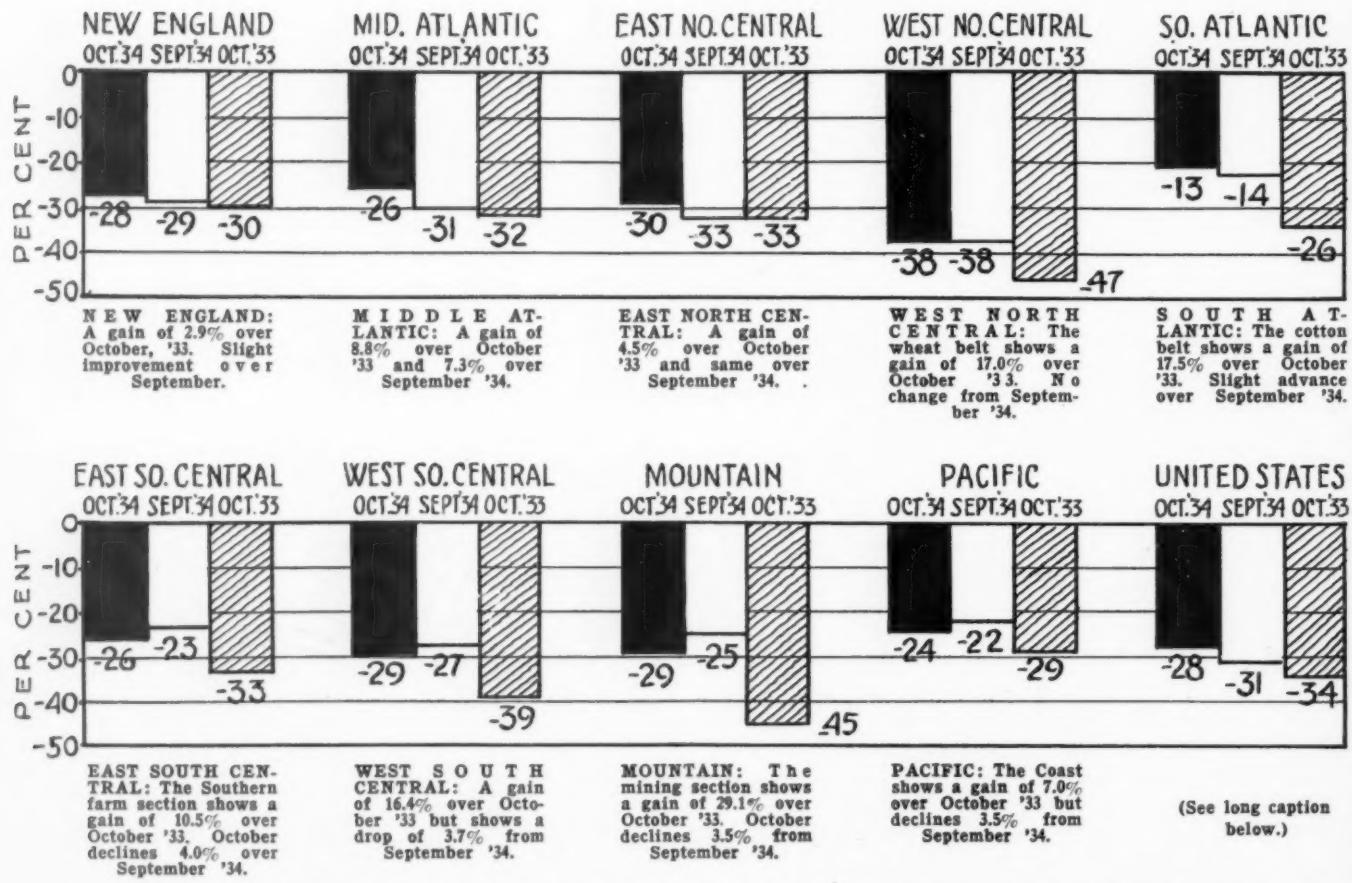
The retail sales figures are a direct reflection of purchasing power and public confidence, and when added to the bank debit figures they tend to iron out the occasional violent swings of the latter.

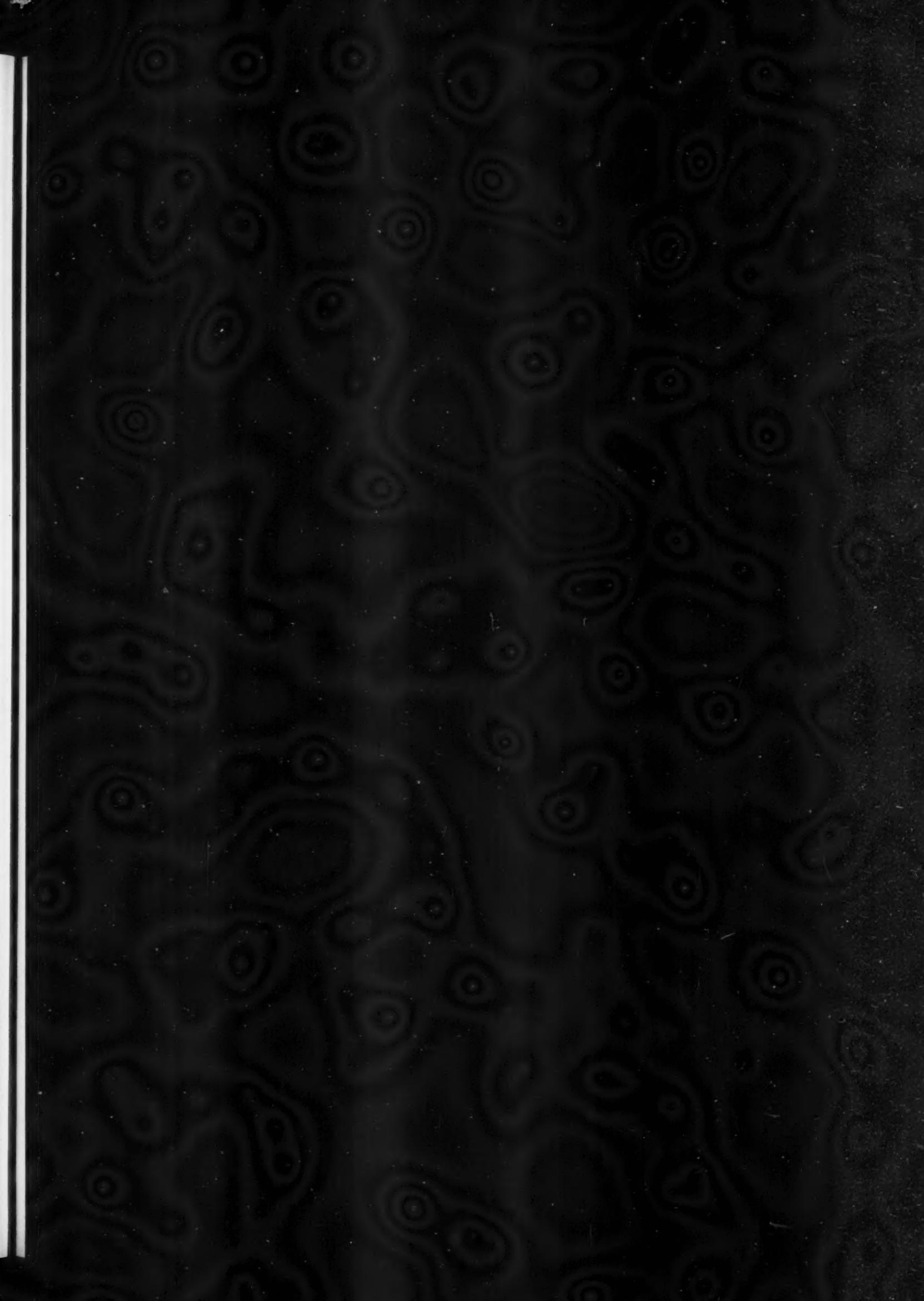
The graphs shown herewith are typical of what you will find on this page each month. At a glance they show conditions in October against September and against October of a year ago.

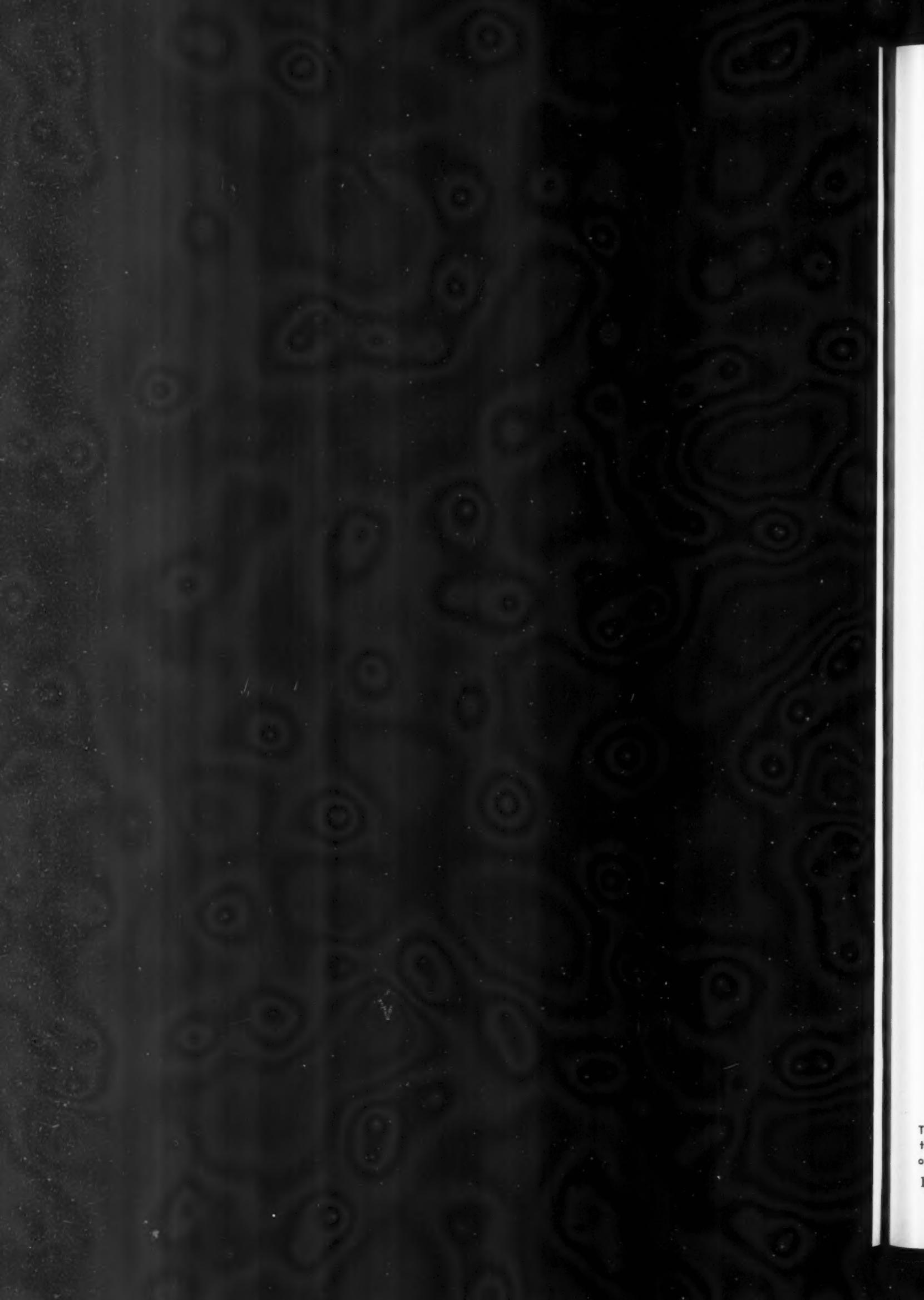
By looking across the two lines of graphs you can compare one section of the country with the others, or with the United States as a whole. For those who want more details, we show the exact percentage of decline from the 1923-1925 normal.

## Sales Management's Sectional Index of Business Conditions

(The state of business expressed in terms of change from the "normal" average of the years 1923-1925. The horizontal bar represents normal. The designation of districts follows the standard breakdown used by the Bureau of Census. The index numbers, as determined by Ray B. Prescott, are a weighted composite of bank debits and retail sales.)







# Indiana's "2nd Largest City"



## Reads Only 1 Newspaper

Larger in numbers than Fort Wayne and South Bend—second only to Indianapolis itself, is the "city" of 49,974 homes in Marion county, covered EXCLUSIVELY by The News.

Six days a week, The News is delivered to and read by these 49,974 families, which represent a population of approximately 200,000 people. They neither receive nor read regularly any other daily Indianapolis newspaper.

Here is a huge plus-market of typically American men and women, living in tune with the times, availing themselves of every modern

convenience that gives purpose and pleasure to life . . . a plus-market unanimous only in one great preference—its newspaper . . . a plus-market extremely responsive to well-planned sales and advertising effort.



The exclusive home coverage of The News is based on the Management Institute Newspaper Survey of 79,289 homes within the corporate limits of Indianapolis and adjusted for the A.B.C. city circulation territory (Indianapolis and Marion county). This research, probably the most thorough of its kind ever undertaken in a city the size of Indianapolis, involved personal interviews with the buying heads of more than 76% of all Indianapolis families. A News representative will gladly give you detailed information.



## THE INDIANAPOLIS NEWS

★ SELLS THE INDIANAPOLIS RADIUS ★

The 145,026 average circulation of The News during the first ten months of this year is the largest of any daily newspaper ever published in Indiana.

DECEMBER 1, 1934

New York  
Dan A. Carroll, 110 E. 42nd St.

Chicago  
J. E. Lutz, 180 N Michigan Ave.

[ 569 ]

Temporarily the government control over cotton production and prices is stimulating retail sales in the cotton sections, but the long-range effects are more questionable. This careful analysis shows that now is the time to concentrate sales campaigns in the best "come-back" section.

# Cotton Control Plan Booming South's Sales

BY JULES BACKMAN AND A. L. JACKSON

Vice-Presidents, *Economics Statistics, Inc.*,  
New York City

WHEN the business machine is running smoothly and increased sales are constantly being reported, there is a tendency for individuals connected with the various businesses to overlook many factors which might become serious handicaps to future business expansion.

In recent months, retail trade has been increasing rapidly. Sales of many companies and a large number of products have improved substantially. At present the majority of businesses are still enjoying a moderate expansion of sales and productive activity. At the same time, there is a tendency for most commentators to become "bullish"—perhaps over-optimistic. Yet there are many problems which we must now face and solve if further improvement is to be had and sustained. Perhaps one of the greatest of these problems concerns cotton production control and the effect that it has had, and may have, on the purchasing power of our nation. Let us analyze this problem.

First, we must consider the importance of cotton as a source of income and as a means of creating purchasing power in agriculture and manufacturing. During the past twenty years, approximately 10 to 12% of the total agricultural income, including crops, animals and fruits, has been derived from the growing of cotton. In other words, this means that approximately 10 to 12% of all products purchased by our agricultural population have been bought with purchasing power derived from cotton. Furthermore, approximately 3 to 5% of the total income derived from the manufacturing of the nation has come from cotton manufacturing. These statistics indicate the important place held by the cotton industry in the United States.

Now, let us analyze the cotton industry, taking into consideration the

government control plans, and see what effect these plans are having upon the cotton industry. By so doing, we will be able to see how purchasing power will have been aided or retarded and how this, in turn, will affect business in general.

During the years 1930, 1931, 1932, the total income received by cotton growers was reduced drastically. This was due, first, to the declining demand for cotton as a result of the general conditions of the depression and, second, to the unusually low price of cotton as a result of the terrific maladjustment between supply and demand of cotton.

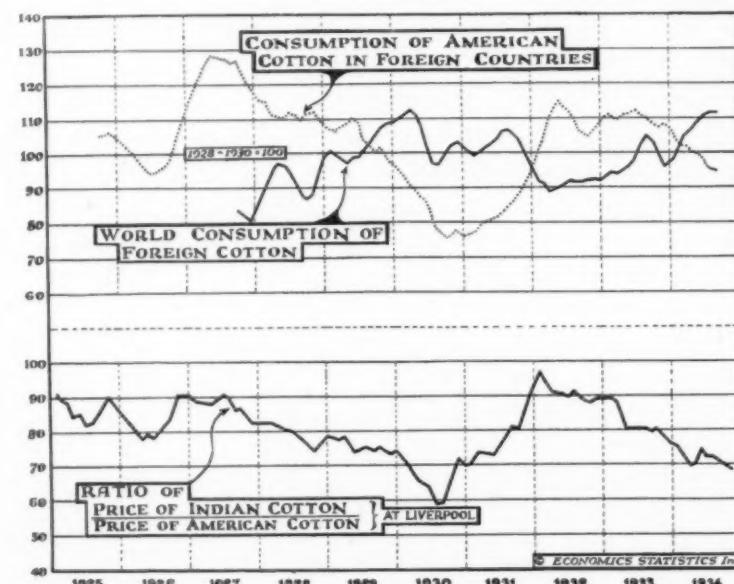
Apparently without considering the effect that a higher price would have upon consumption, both domestically and abroad, it was assumed that farmers' income could be increased by increasing prices artificially. To aid in raising prices, the Government at-

tempted to control production, reducing the acreage used for growing cotton in this country and compensating farmers for the cotton which they did not grow. Further stimulus to prices was given by such schemes as the cotton loan plan.

These plans were outlined in the early part of 1933 and caused a forward buying movement on the part of cotton consumers who wanted protection against future high prices. This proved to be a temporary stimulus only. Since the middle of 1933, the use of American cotton has declined sharply and consistently, the current level of world consumption of American cotton being far below the level that prevailed prior to the control schemes. The control plan was successful in curtailing production, but it also curtailed consumption to an equal extent so that no apparent benefit has been received as far as correcting the supply-demand maladjustment.

It must also be remembered that the only source of real purchasing power is production. As the total production is reduced the total purchasing power of the nation is reduced, although temporarily it may be increased in some industries.

How did the higher price cause world consumption to decline? Domestically, the situation is as follows: The artificial price of cotton was placed at too high a level compared with other textile prices, so that cotton lost much of its competitive advantage in the market. Thus, wool, and particularly silk and rayon, attained an advantage over cotton in the markets and replaced cotton in many of its uses. In this connection it must also be remembered that domes-



One of the boomerangs of the Government's cotton control plan: Consumption of American cotton in foreign countries declines as the price of American cotton in relation to Indian cotton rises. Note the decrease in sales abroad in 1933-34. (See article for full explanation of this trend.)

## PACKAGE JUMPS SALES

**125%**

**in one year**

SEASON  
1932-33

**ALL OIL  
SOLD IN  
BULK**

SEASON  
1933-34

**ALL OIL  
SOLD IN  
SEALED  
CANS**

● This is the case history of an oil company. In 1932 it sold its motor oil entirely in barrels and drums. In 1933 it switched to 1

and 5 quart lithographed cans. Result? A good business more than doubled — *within a year*.

An isolated case? Quite the contrary. In the sales records of dozens of oil companies — and companies in almost every other field — are results, due to packaging, which equal or exceed those charted here.

Within the past few years we have helped hundreds of concerns discover (and profit by) the force of modern packaging. Is it not likely that we might help you?

CANCO

**AMERICAN  
CAN COMPANY**

SAN FRANCISCO • 111 SUTTER STREET  
NEW YORK • NEW YORK CENTRAL BLDG.  
CHICAGO • 104 SO. MICHIGAN AVENUE

tic cotton manufacturers had to pay the relatively high farm price of cotton plus the processing tax. For example, instead of paying 12 cents which equaled the cost of raw material, they had to pay an additional 4 to 5 cents as a processing tax, thus bringing the total cost of raw material up to 16 or 17 cents a pound. (Of course, code provisions should also be considered at this point, inasmuch as they increased manufacturing costs.) As a result of these conditions, the price of finished cotton goods rose and caused a decline in domestic cotton consumption from a peak of 141% (1928-1930 average, 100) established in July, 1933, down to 69.5% of the 1928-30 average at the close of September, 1934. The present level of domestic cotton consumption is the lowest recorded in recent years with the exception of that period during the middle of 1932.

During the past twenty years, approximately 55 to 60% of all American cotton grown has been consumed in foreign countries. Thus, we must consider the effect of the cotton control plan upon exports. To aid in illustrating this factor, we have prepared the chart on page 570. At the bottom of the chart, we show a ratio of the price of Indian cotton to the price of American cotton, both prices being taken at Liverpool.

#### Cotton No Longer King

As this ratio increases, it indicates that American cotton is becoming *less expensive* relative to Indian cotton. As it declines, it indicates that the price of American cotton is becoming *more expensive* compared with foreign cottons. As this ratio curve declines it is to be noted that the use of foreign cotton in the world increases while the use of American cotton declines. It can also be observed that current consumption of American cotton in foreign countries is at the lowest level established during the past three years, while the consumption of foreign cottons in the world is at an all-time high level. During September, 1934, exports of American cotton amounted to only 68.9% of the 1928-'30 average. This point cannot be stressed too much. The foreign demand, which normally takes up to 60% of the total cotton grown, has declined sharply, and currently our exports are only 68% of the normal amount of cotton shipped from this country.

The above situation has both a short term and longer term effect on the purchasing power of the cotton districts. During 1934 the cotton farmers' in-

come was increased sharply, due to the higher prices plus the benefit payments received from processing taxes. This has greatly aided retail distribution in the cotton growing states. One only need refer to the sustained increases shown in retail sales reported by the Federal Reserve Districts of Atlanta, Richmond and Dallas to measure the extent of these improvements. This is the short term effect of this policy. The question is: Will the improvement that we have had thus far prove to be temporary?

It is obvious that if the maladjustment between the price of cotton and other textiles is not corrected, domestic consumption will continue to decline. Furthermore, if the maladjustment now existing between the price of American cotton and the price of foreign cotton is not corrected, the United States cannot hope to keep her foreign

cotton trade—indeed, is already rapidly losing it.

It can be concluded, therefore, that from the long range point of view, the decline in the volume of cotton consumed will offset the increase in price and that, therefore, the cotton industry will receive no long term increase in purchasing power. On the other hand, when we consider the effect that the higher price of cotton has on the cost of living, in which all individuals are interested, the conclusion is inescapable that the real purchasing power of the nation will ultimately be reduced. The moral of this analysis is to concentrate immediate sales campaigns in the cotton sections of the country in order to take advantage of what will probably prove to be a temporary situation and not to be too sanguine about the follow-up possibilities in the future.

## AGMA Opposes A,B,C Canning; Favors New Pure Food Act

Grocery manufacturers registered their opposition to the NRA "A," "B," "C" food grading plan and strongly favored revision of the Pure Food and Drugs Act at the Associated Grocery Manufacturers Association convention in New York November 20-22. These two issues, plus code problems, dominated the convention.

The manufacturers stood strongly behind the industry's proposal that descriptive labels be used on all canned foods instead of the government's gradings. Fixed grades would make no provision for the element of flavor, speakers declared. Thus "Grade A" peas from New Jersey would always rate as high as the finer "Grade A" peas of Wisconsin. The effect of this would reduce canners' efforts to produce highest quality foods and reduce premium prices paid to farmers. The whole effect would be to lower food standards. The association's counter proposals for descriptive labeling designed to protect high quality foods, most of them advertised brands, was heartily approved by convention action.

The association's resolution backing up its suggested changes in the Pure Food and Drugs Act said it "believes that the revised Act should effectively prohibit, in particular, the false or deceptive advertising of food. Therefore the association is only concerned that this legislation shall be drawn in due form and it offers its support and assistance to the Administration and to Congress accordingly."

The important part advertising plays in food distribution was discussed by

Roy S. Durstine, of the Batten, Barton, Durstine and Osborne agency. He said good advertising of food products is worth what it costs because it extends markets and reduces selling expense. He thinks there has been too much talk about the huge expenditure for advertising by men who do not stop to consider how many millions of people are reached by this advertising. He declares advertising "is a better selling tool today than it ever was," and is ready to help lift this country to a higher level of prosperity "than any of us ever have dreamed could be attained."

Illustrating the low cost of advertising, he said all the food expenditures in a big newspaper annually totaled only \$1.02 per family in the newspaper's territory. Good advertising cut the selling cost of an important food company almost in half, he recounted. Once it totaled 21%, of which 16% was sales cost and only 5% advertising cost. When advertising was boosted to 7% total selling cost went down to 12%. Loose-Wiles spends but one-tenth of a cent to advertise its 10-cent package of crackers; Coca-Cola barely three-tenths of 1% to sell its drink made internationally known by advertising.

#### Centaur Buys Z.B.T. Products

The Centaur Company, a division of Sterling Products, Inc., has purchased Z.B.T. baby powder and other Z.B.T. products from the Crystal Corporation, of New York, and will hereafter market this line in conjunction with its other principal product, Fletcher's Castoria.

THE LOS ANGELES EVENING  
**HERALD AND Express**

*Now offers*

**COLOR**

The West's largest and leading Daily Newspaper now offers Color Advertising.

The Los Angeles Evening Herald and Express is completing the installation of modern color equipment and will be able to offer color advertising early in 1935.

With a circulation of 266,600 The Herald and Express gives the daily newspaper advertiser the largest coverage available, not only in Los Angeles, but in the entire West.



REPRESENTED NATIONALLY BY

**PAUL BLOCK AND ASSOCIATES**

NEW YORK

CHICAGO

DETROIT

BOSTON

PHILADELPHIA

LOS ANGELES

SAN FRANCISCO

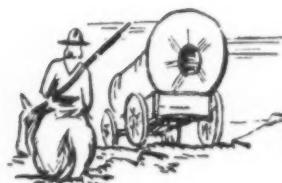
The fabric of California's



proud and

colorful history is shot through with the romance

of



many peoples, from the glamorous

indolence of the Dons



through the

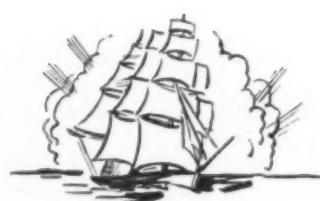
rough-hewn chivalry of the Forty-niners



to the ultra-sophistication of our times.

Its business, too, has been romantic . . . from the

gallant



full-riggers that braved the

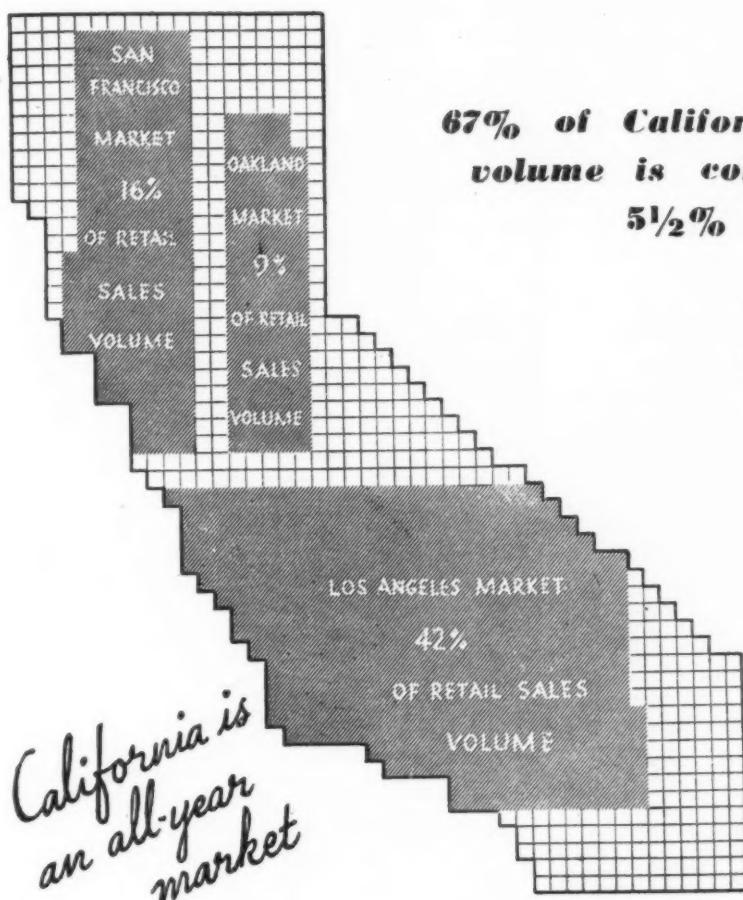
Horn . . . to the stately liners



that

now ply between ports of the world and California's

three great markets . . . Los Angeles, San Francisco and  
 Oakland . . . where two-thirds of retail sales are made in  
**California...the THREE POINT MARKET**



**67% of California's retail sales  
 volume is concentrated within  
 5½% of its land area**



County Outline Map

In Los Angeles . . . **THE HERALD AND EXPRESS** . . the largest daily newspaper in the West . . reaches three out of every five English Speaking Families in the Los Angeles city area.

In San Francisco . . **THE CALL-BULLETIN** . . with the largest city circulation . . covers 65% of the city's English Speaking Families . . and concentrates 93% of its total circulation in San Francisco and its suburbs.

In Oakland . . **THE POST-ENQUIRER** . . concentrates 96% of its circulation in Oakland and suburbs . . and reaches 42% of the English Reading Families of the city.

*Represented Nationally by*

**PAUL BLOCK & ASSOCIATES**

New York

Chicago

Detroit

Boston

Philadelphia

Los Angeles

San Francisco

# Are Increased Sales Certain for 1935?

This is report Number 1 of a series of semi-confidential studies of current problems in marketing based on questionnaires worked out twice a month by the Sales Executives' Club of New York and by Walter Mann & Staff, with the cooperation of the editors of *SALES MANAGEMENT*, and sent to both to members and to non-members, in an effort to get a real consensus on these problems.

Following is a digest of a twelve-page detailed report on the subject. Sales executives desiring the full report may obtain information as to cost from the Readers' Service Bureau of *SALES MANAGEMENT*.

Report Number 2 will cover certain freight rate allowance claim evils and how manufacturers are combating them successfully.

BY

WALTER MANN

Walter Mann & Staff, New York

**T**HERE is apparently no question in the minds of one group of representative sales executives — viz.: members of the Sales Executives' Club of New York — that the good old times are back again. Or at least definitely on their way.

Answering Questionnaire No. 1 of a series of semi-monthly queries into subjects of primary interest to sales managers, they say in unmistakable terms that business *will* be better in 1935. That this is a conviction based on the bed rock of past experience is shown by the fact that things *have* been good or at least fair for the majority of the responders in 1934.

**Question 1**—"Do you think business will be better or worse in the first six months of 1935?"

Forty-nine out of 51 responders answered this question. These responses were broken down (see table shown herewith) into roughly classified groups. Of these 49, 44 or nearly 90% said confidently that business will be better in 1935. Four said that business will be the same and one lone holdout thought that business will be worse. Some of them even went in for a little quiet boasting (almost unheard of in depression times). Says one foodstuffs sales manager: "Our business volume has shown increases every year." Says another: "Sales increases double each month!" Boasts an insurance man: "We are already promised increased business for 1935." There is, of course, also a

croaker or two, one a securities man who says: "I cannot see any increase in retail sales, which is the only yardstick I know." One reason that is given for sales volume being *down* is, naturally, that of lower prices on many lines of merchandise despite the temporary price pegging by the NRA. In several cases manufacturers who were forced to report lower *dollar* volume said that their actual *unit* volume had been greater than in 1929.

A quick study of the table shows that retail distributed products (among which were foodstuffs, bluing, razors, gasoline and motor oils, books, floor waxes, etc.) was the only classification with a dissenting vote and this one vote was so outweighed in its own group as to make it negligible. Certainly this is the broadest, most general statement of confidence that we have heard from sales executives in a long time. And, by the same token, this is a year in which we can expect big things from sales managers, who, by and large, fight nobly when they are down but superbly when things are on the up and up. If this study is truly representative of the entire country sales managers should find 1935 an excellent year for progress.

**Question 2**—"Is your total current sales volume up or down as compared with a year ago? Two years ago? As compared with 1929?"

Forty-three out 51 responders said that their total current sales volume was up as compared with a year ago. Seven said it was down. One said his was the same. Thus it will be seen that all the predictors but one based their 1935 predictions on actual 1934

experiences. Thirty-six out of 45 of these responders said that their current volume was up as compared with two years ago, indicating that the great bulk of these better sales had come in 1934. Startling indeed was the fact that 14 out of 44 responders said that their present business was better than that of 1929! Some businesses at least have progressed a lot faster than many of us seem to think.

**Question 3**—"What about your sales volume per customer? How does it compare?"

Twenty-six out of 40 responders said that current sales volume per customer is up as compared with a year ago. Ten said it was down. Four said it was the same. Twenty-four out of 38 responders said business was up this year as compared with two years ago. Twelve, however, said it was down, while two said it was the same.

Eleven out of 35 responders stated that sales volume per customer was higher this year than it was in 1929! Twenty-one (by far the majority) said it was lower than in 1929. Two again said "same."

**Question 4**—"How about your total number of customers?"

Thirty-five out of 46 responders told us that the number of customers was higher than it was a year ago, while nine said there were less customers this year than in 1933. Two said their number of customers had not changed.

Compared with two years ago, 32 out of 44 stated that the number of customers was higher. Eleven said "lower," while one said "same." Most interesting of all, however, was the fact that 13 of those 41 who replied

## 49 Sales Executives Predict State of Business for First Six Months of 1935

	Business will be better	Business will be worse	Business will be the same
Retail Distributed Products (13) .....	11	1	—
Bldg Material, Household Equipment, etc. (6) ..	5	—	—
Business Equipment and Supplies (4) .....	4	—	—
Industrial Equipment and Supplies (5) .....	4	—	1
Service Organizations (7) .....	5	—	2
Advertising Agencies (3) .....	2	—	1
Research & Statistical (3) .....	3	—	—
Media (10) .....	10	—	—
	44	1	4

to the last part of the question said that the number of customers is now up, as compared with 1929. So then, sales volume is greater, sales volume per customer is greater and number of customers is greater.

**Question 5—Do you prefer at this time to concentrate on old customers for large orders or to try to get new ones?**

Eighteen out of 46 responders said that they preferred at this time to go after new customers, while 11 preferred to sell more to old. Seventeen canny responders were in favor of going after both. Some of the responders feel that it is much better to keep after customers with whom a long and favorable standing has been built, in some cases believing that a concentrated effort to get a larger percentage of these older customers' business is a far more prolific field of endeavor than in browsing for new customers. Much depended, of course, on the type of business in which the responder was engaged. But the large number who looked for new customers implied a more aggressive sales effort than has recently existed in many a manufacturer's sales department.

**Question 6—How many salesmen do you now have on your staff? How many two years ago? How many in 1929?**

This question was not tabulated directly because of the necessarily confidential character of some of the information given. Instead, it was used to produce figures showing how many responders had added salesmen in 1934 as compared with 1933, 1932 and 1929. Eighteen responders had added salesmen in 1933-34. Seven had, on the other hand, cut them off. Fourteen of the 39 answering this question had held to the same number. Only 16 had added to sales personnel in 1932-33. Ten had cut them off and twelve out of 38 had kept the same number. As might be expected, less even had added salesmen in 1929-32 (12). Only 8, however, had cut them off. Thirteen out of the 33 responders had held to their present staffs.

**Question 7—How many (salesmen) do you plan to add or cut off during 1935?**

Twenty out of the 37 who were able or willing to answer this question at this time stated that they intended to add salesmen in the next year. Seventeen expected to retain the same sales force as they have had in the past. *None expected to cut off any salesmen.* This is indeed a bit of substantiating evidence to the responders' anticipation of better business in 1935. The 14 who were still uncertain may be seen by some to be encouraging, in

that they have not made up their minds either to add or to cut off sales personnel. Figures on the number of salaried versus commissioned salesmen were far too detailed to be given here. There was a greater proportion of salaried men than of men on commission; again a healthy sign.

**Question 8—How do your salesmen's current earnings compare with those of a year ago? Two years ago? In 1929?**

Thirty-three out of 45 responders said that their salesmen's earnings were better this year than in 1933. Six said they were worse; six said "same." Thirty-one said that earnings were better in 1932 than at present, 10 said they were worse, while

one said "same." Twelve, surprisingly enough, said that their salesmen were doing better now than in 1929. Twenty-six, however, said that their salesmen's earnings are still down compared with the last good year. Only one said "same" out of 40 responding.

Everything, then, of past history as recorded by this group of Sales Executives' Club members (coming from all types of selling organizations) points at least to a comparative return to prosperity in 1935. Ol' Man Depression, he don't say nothin', he's just gettin' weaker and weaker; even his best friends say that he may linger on, but he'll never again be the lusty blackamoor who kept us in bondage for lo! these many years.

## Going Places!

WHEN any magazine in 1934 rings up the greatest circulation in its history, when bales of press clippings show that paper more widely quoted than any other in its field, when advertising volume compares favorably with 1929 . . . you have something unusual among magazines.

Possibly you can't be bothered with the facts on editorial excellence, more and more readers, spectacular advertising gains, but you can't overlook the one basic rule that a product "goes places" when advertised in a book that's going places.



**MILL & FACTORY**  
A CONOVER-MAST PUBLICATION  
205 E. 42nd St., New York City . . . 333 N. Michigan Ave., Chicago

# First Ad in Brazil Nut Campaign Wipes Out One Year's Supply

A few months ago thirteen importers and three shipping companies got together as the Brazil Nut Association, 500 Fifth Avenue, New York, and as the Brazil Nut Advertising Fund made up between them a promotional kitty to gamble on getting America's teeth into these crunchy things. They named an executive secretary, Theodore Schoonmaker, and appointed an advertising agency, N. W. Ayer & Son, Inc.

Then in the November issues of four magazines, *Woman's Home Com-*

*panion*, *Good Housekeeping*, *McCall's* and *Ladies' Home Journal*, they spoke their first piece. They spoke, on the whole, somewhat softly. Only one column was run in three of the magazines, a full page in color in the other. The intention was to use the magazines consistently for several months, and also after January 1 to place newspaper copy in large eastern markets. Perhaps, with the help of Mr. Schoonmaker and Fred Pflugfelder, account executive at Ayer, and these media, they might move America's current an-

nual importations of these nuts from the Amazon valley, in due season and at a better price than usual.

Today, however, the campaign, just begun, has virtually ended. You may search long and diligently before you find a Brazil nut. The United States importers, their supplies almost exhausted, already have brought over 3,800,000 pounds from London from the stocks intended for our English brothers. More are coming. The importers can't tell us exactly how many pounds of their regular stock have been sold, but our guess is 20,000,000.

At the last minute, as the November insertions were being sent out, the association added the line "new recipes you have never tried will gladly be sent on request." For any requests that might come in they had prepared a mimeographed sheet. But the interest was so great they had to produce a booklet containing fifty-four recipes, and the booklets are being sought at this writing at the rate of 700 a day.

## Nutcracker Profits Also

Prosperity has come, incidentally, to the Oiljak Manufacturing Company, Montclair, New Jersey. Brazils, as you know, are pretty hard nuts. So the center spread of the booklet is devoted to the Amazon nutcracker which the Oiljak people make. To get America inside their nuts the importers speak glowingly of it. Here, they say, is a "new nutcracker which *really* works." Illustration shows how and copy explains its simple and sure and crush-proof operation, and the places where the green lacquered model is available, for 25 cents, and where the deluxe black-enamelled, chrome-and-nickel-plated model, for 75 cents.

Heretofore, executives say, it has taken about six months to dispose of the importations. Glad to be rid of the risks of price-cutting, and of staleness, they do not quite know, however, what to do in their present dilemma. It is, of course, hardly desirable to advertise when one hasn't the supply to meet the demand. On the other hand, the public are liable to forget even good products, if they are not reminded of their existence. Though it was manifestly unwise to continue the magazine campaign, the importers decided on one more shot. This runs in the January issues of two of the magazines, which are issued earlier in December than the others. There also may be some newspaper copy in the East this month. These ads will be directed in part to laying the groundwork of good will for next year's campaign.

The entire magazine job, November and December issues, has cost the association only \$30,000.

## "WE'RE FROM MISSOURI

... where are you from?"

Yes, sir, when it comes to surveys, "We're from Missouri . . . we want to be shown!"

Well, this is how ERNST & ERNST (the internationally recognized firm of Accountants and Auditors) answered our challenge:

"For seven consecutive days, October 16 to October 22, 1934, between 7 A.M. and 11 P.M., our staff of investigators asked 20,408 Minneapolis and St. Paul families this simple question: "WHAT STATION ARE YOU LISTENING TO?" . . . obtaining the following results:

50.1% said K S T P  
36.5% said Station B  
6.0% said Station C  
4.5% said Station D  
2.9% other Stations

From 12 Noon to 5 P.M. STATION B shows an average of 32.8%  
From 12 Noon to 5 P.M., K S T P shows an average of 50.1% or about

### 60% GREATER

From 9 to 10 A.M., ratings show K S T P averages 58.1%—or about  
2 TIMES GREATER THAN STATION B  
10 TIMES GREATER THAN STATION C  
15 TIMES GREATER THAN STATION D

### YOU ARE ENTITLED TO BE "SHOWN"

. . . therefore, CERTIFIED COPIES OF THIS SURVEY are available for your inspection at each of our branch offices.

And for CERTIFIED FACTS on which to base your expenditures in the Minneapolis-St. Paul Trade Area, just ask: FORD BILLINGS, General Sales Manager, K S T P, Minneapolis, Minn. . . . or our NATIONAL REPRESENTATIVES: Paul H. Raymer Co., in NEW YORK . . . and Greig, Blair & Spight, Inc., in CHICAGO, DETROIT, SAN FRANCISCO.

# K S T P

MINNEAPOLIS - ST. PAUL

DOMINATES THE 9th U. S. RETAIL MARKET

## Snapshots

CHAMBERS - CHAPIN COMPANY, New York, launches a new advertising medium, a paper bag dispenser for grocers with compartments for each size bag. On the back of the dispenser is a space 15" x 16" for an advertising message on a card. The advertisers buy space in much the same manner as car cards, changing their copy as often as they prefer. In addition, their product sits on top of the dispenser. Chain and independent grocers are furnished the dispenser without cost. Company officers say the idea was tested out for eight months in western New York before bringing it on to the Big Town for large-scale development.

### Good Cheer... on the alkaline side



... A good wine needs no bush

WHITE ROCK water tosses overboard a pile of unabridged dictionaries and tells imbibers that it is a good mixer in just six words, a cork and a bottle cap. A gold star is hereby stuck on their report card for brevity, restraint and effectiveness.

REPUBLIC STEEL CORPORATION issues the fifth edition of "Sheet Iron: A Primer," a sixty-eight page illustrated book. It contains a history of iron, and describes the Bessemer process, open hearth process, Molybdenum and almost everything else about iron and steel in non-technical language. First printing of this edition is 50,000 copies. Other editions totaled 187,000 copies.

FRIGIDAIRE salesmen will have the help of General Motors Acceptance and General Exchange Insurance employees in rounding up refrigerator prospects during the next 45 days. "The campaign is an energetic gesture

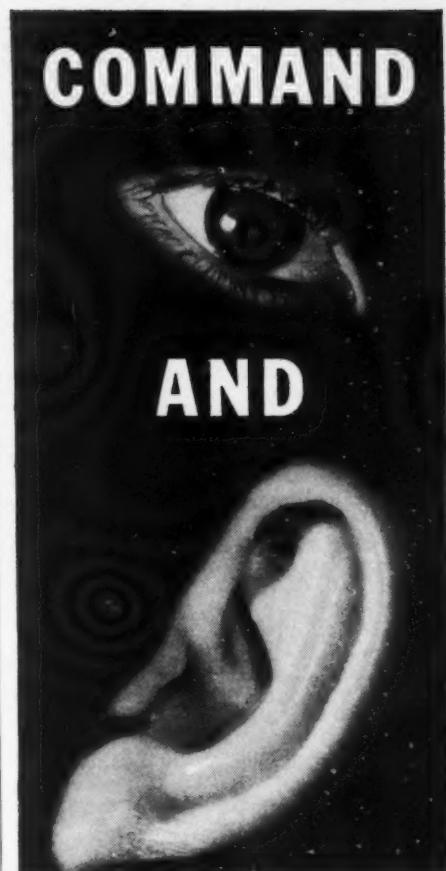
by the General Motors finance organization to demonstrate their appreciation for the business Frigidaire selling men bring them," according to H. W. Newell, v-p of the Frigidaire Corporation. GMAC and GEIC men and women will receive no commissions, but will get prizes for their scouting.

KNOX gelatine gets the attention value of a continued story in its current ad in women's magazines. A one-column announcement at the left of the page has a housewife talking about a recipe for plum pudding. Over on the right side of the page another woman remarks, "Yes, that plum pudding is delicious, but my favorite recipe is," etc. On the facing page two more women add their comments and bring up a fresh recipe. It makes an excellent running story.

BURNETT'S EXTRACTS ties up to the Knox publicity with a page in *Progressive Grocer* that points out: "Thousands of . . . grocers . . . will feature the Knox gelatine recipes described on the back cover of this magazine. Be sure to include Burnett's pure flavoring extracts and Burnett's food colors in this combination sale set-up. The Knox Christmas party will mean better holiday business for you, for us and for all other first-class manufacturers whose products you show in combination displays, 'We're with you, Mr. Knox!' That's the spirit of 'you scratch my back and I'll scratch yours.'"

SKELLY OIL COMPANY is appalled by activities of gas "stripping plants" in Texas. Recovering less than 3% of the heat value of the gas, the "stripper's" wanton wastefulness is compared to killing cattle for their hoofs to make knife-handles and leaving meat and hides to rot. Every week, says President W. G. Skelly, over his signature, Panhandle "stripping plants" waste enough natural gas to equal the cost of the State Capitol. "This company operates a small stripping plant . . . as a measure of self-defense. We invite and will applaud action by the legislature that will make it impossible for (us) or anybody else" to commit such waste. Rarely does a corporation ask to be restrained. Usually it's the other way 'round.

MARSHALL FIELD & COMPANY, which has heretofore shied away from announcements in Sunday newspapers, goes into Sabbath editions with dominating space on its downtown store. First ad will appear December 2.



**EYES** to see the **ACTION** of your product, processes, and sales plan.

**EARS** to hear your sales message exactly as you want it told.

Business leaders use Castle Films, with **VOICE** and **ACTION**, to obtain sales results quickly—many use the same film both for sales promotion and for consumer selling.

Castle films pay dividends immediately...How? Through vital sales-compelling messages...from portable sound-on-film projectors (plugged into any electric light socket)...to seller or buyer, anytime, anywhere. Send for a Castle representative TODAY—Learn how you can command greater profits with **VOICE** and **ACTION**! Let us tell you or your agency how Castle Films can serve you.

**CASTLE**  
**FILMS**

PRODUCERS, DISTRIBUTORS, EXHIBITORS  
OF BUSINESS MOTION PICTURES  
NEW YORK CHICAGO SAN FRANCISCO  
RCA Bldg. Wrigley Bldg. Spreckels Bldg.

# The Postman Whistles

## A Come-back to "Fire the Sales Manager"

**S**HOULD We Fire the Sales Manager Every Three Years?" Does not the answer to this question depend upon whether we hire three-year sales managers? Undoubtedly we should fire a man who has stopped producing new ideas. If he gets into a rut from doing the same job for three years, and needs stimulation of a drastic sort to wake him up, he should be fired. It may be that some men work best that way.

It is also possible that another man may produce an increasing amount of ideas as he sticks to the same job, even though the job is that of sales manager. Witness many successful entrepreneurs who are president, sales manager and production manager combined. Just because they are doing the same job from year to year does not mean that they are using the same ideas over and over. They are forced to change their ideas to fit circumstances. Their alert personalities and intelligence shows in their anticipation of circumstances with the right ideas to continue their profits.

Perhaps a sales manager for a large organization is in danger of becoming dissociated from the facts which surround that business. Perhaps he does become engrossed in the mechanical perfection of his organization for selling. Perhaps that is not his fault, but the fault of the management who neglects to keep him in touch with the facts surrounding the business as a whole.

Is it not reasonable that any business which is so organized that it becomes necessary to find a new sales manager every three years is as much at fault as the individual sales managers who have not been able to keep up their flow of ideas? Granted that many individuals fall easily into a rut when mechanical efficiency is attained, is it not the duty of the executives of the company to make sure that there is no rut to fall into? The executives themselves manage to keep out of the rut. The sales manager can do as well if he is properly supplied with incentives and opportunities to produce.

Regardless of the company, the three-year rule will not work for every individual. Eventually a man will come along whose ideas are always ahead of the company's demands; whose vision is broad enough to span the entire field of selling, and yet who isn't so cocksure that he thinks he knows all about any part of it; who has a reference file of ideas that he may never use, but that are available to cover the many possible avenues along which the business of his company might be extended; who is, therefore, more than just a sales manager, and probably will move into the executive offices instead of to some other company.

R. C. GARRETTSON,  
The J. B. Inderrieden Company,  
Chicago, Illinois.

## Bouquet Is Tossed, We Blush Gratefully

I DON'T know how you worked out your United States retail sales figures for 1933, which appeared in your April, 1934, "Market Planning Number," but you are to be congratulated on your accuracy, judging by the retail sales figures you gave for the District of Columbia, which are only about 1% off the retail sales figures for Washington shown by the 1933 Census of Retail Distribution.

RAOUL BLUMBERG, *Promotion Manager,*  
*The Washington Daily News,*  
*Washington, D. C.*

## That October 10 Issue Gets a Hand

THE October 10 issue of SALES MANAGEMENT is being circulated through the office to our regular list of readers, and, as there is a great deal of timely information in it which might be helpful in our contemplated plans for next year, the writer would appreciate it very much if he could have an extra copy of this issue for his own personal use.

We were somewhat surprised to note, on page 332, the results of the survey concerning sales manuals, particularly the statement that only 46% of the companies questioned reported reviews during 1934.

It has always been my conviction that the first responsibility of any organization in making its sales plans is to see that the salesmen or dealers are not only completely equipped with current information about the features of the product, but also well in-

formed on its advantages to the user, and to make certain that this information is continuously brought to their attention throughout the year.

Reduced to a few words, you get out of anything in exact proportion to what you put into it.

H. J. PITCHER, *Sales Promotion Department,*  
*Cadillac Motor Car Company,*  
*Detroit, Michigan.*

I HADN'T seen a copy of SALES MANAGEMENT for quite a long time until the issue of October 10 came to my desk.

This issue is certainly packed full of concrete, specific, constructive help to sales organizations and I don't see how anyone concerned with the responsibility of delivering a profit to a business house can keep away from it.

I think people are pretty tired of long general articles expressing opinions.

It is the specificness of this issue in helping actually to solve sales problems that interests me.

JOSEPH GOOCH, JR.,  
*Gooch, Jennings & Company, Inc.,*  
*New York City.*

THE writer wishes to thank you for the friendly reminder of October 10 issue, "Managing Salesmen in 1935," and can say that this issue has more than paid for the cost of the subscription.

I am now using your 14 messages for salesmen.

If at any time you have any more of these messages, which I can use for next year, say for about three or six months, kindly let me know, as it not only saves time but brings home what every sales manager needs, constructive ideas and pep, and gives the salesmen opportunities to see if they are functioning right.

F. C. GREENBURG, *Dist. Mgr. Toilet Articles Sales,*  
*Colgate-Palmolive-Peet Company,*  
*Seattle, Washington.*

## Sirs, Our Humble Apologies!

WE notice on page 405 of the October 20 issue of SALES MANAGEMENT, in the article referring to the National Pressure Cooker Company's steam cooker, that you have given credit to Norman Bel Geddes for the re-design of the Bakelite handles used on this cooker.

This was apparently done in error, since these handles were all designed and molded by our company. We would appreciate your making this correction in a subsequent issue of your magazine.

H. D. PAYNE, *Advertising Manager,*  
*Chicago Molded Products Corporation,*  
*Chicago, Illinois.*

## Permission Asked and Gladly Granted

THE September 15 issue of SALES MANAGEMENT carries, on page 238, an article entitled, "How Department Stores Rate Electrical Appliance Firms." I am sure this article will be of interest to each of our distributors, fifty-six in number, throughout the United States. I should therefore like your specific approval and permission to enable us to reproduce this article and place it in the hands of all of our distributors.

Incidentally, will you place my name on your subscription list and send me your invoice, so that I may make sure that I will not miss any subsequent issues? Up to now there has been a scramble among three or four of us to see who first has the opportunity of reading it upon its arrival. It therefore behoves me at this time to break down and order a copy for myself.

R. C. CAMERON, *Assistant to Manager,*  
*Electric Refrigeration Department,*  
*General Electric Company,*  
*Cleveland, Ohio.*

WILL YOU PLEASE GRANT PERMISSION TO REPRODUCE ROSS FEDERAL SERVICE MARKET INVESTIGATION ARTICLE APPEARING IN OCTOBER TWENTIETH SALES MANAGEMENT FOR DISTRIBUTION TO OUR SALES FORCE AND A LIMITED NUMBER OF KEY ACCOUNTS?

R. MCREYNOLDS,  
*Bissell Carpet Sweeper Company,*  
*Grand Rapids, Michigan.*

SALES MANAGEMENT

## ANA Discusses Agency Compensation; Announces Ad Research Foundation

(Continued from page 559)

floor on the ANA agency report.

The following are extracts from some of the talks referred to on the preceding pages:

### Lee Bristol Says:

"Developments which have taken place since the ANA agency report was released indicate an almost complete acceptance of its conclusions among the national advertisers represented in our Association, and a determination to act upon its recommendations. These developments will make it possible for the agency to enlarge the scope of its activities, to do a larger volume of business, and to encompass within the scope of its operations the entire advertising appropriation of the advertiser. Thus, in fact, rather than in theory, the agent will have the opportunity to become the partner of the advertiser.

"I am not out on any chiseling expedition. I resent any such implication. I firmly believe that advertising agencies would make as much or more money under the changes we propose than they do now. For one thing, the agencies will go in for cost-finding; there is a move already under way in that direction.

"This study commends the agent to the advertiser as a worth-while institution. We must have agencies. We are disturbed by facts in this report showing that advertisers are avoiding the use of agents, or going outside the agency field for services that they should be able to obtain from their agents. We need agencies and we need publishers."

### Bernard Lichtenberg Says:

"I feel that the new food and drug bill will have the silent support of the White House, but I do not think it will be made must legislation. On the other hand, there will be much legislation of a social sort which in the way it will be framed may harass business considerably. I urge you to watch it carefully. But do not take much stock in the advance propaganda that the new Congress will be wild and reckless. It will be as wild and reckless only as the President permits it to be. He will be to all practical intents and purposes as completely in the saddle as he was last year.

"The public has been tremendously swayed emotionally in favor of the Tugwell bill, although most of them did not know its exact provisions. At

that time letters to the White House were 1,000 to 1 in favor of the bill. Then business got busy and placed the facts before the public, and the letters shifted to 1,000 to 1 against the same bill."

### Paul Hollister Says:

"The new technique will be based on prices whose levels are raised by vastly increased consumer purchase; that vast increase is begging to assert itself in figures that look like astronomical measurements. Increase in sales must follow the instant price-fixing, in all its manifold disguises, is abolished."

### Turner Jones Says:

"The job of taking outdoor advertising apart to see why and where it

'ticked' has been well done. If this association never performs another service to advertising and advertisers, it could well rest on its laurels worthily won in helping to remove the rule o' thumb and guess work from the evaluation of this medium.

The Traffic Audit Bureau is a going proposition. The principles of measurement that determine its worth are in many ways more exacting than those which determine the value of any other advertising medium. And the fact is worth stressing that this evaluation service, predicated upon the application of these principles to each individual advertiser's outdoor problems, is available to any one who wants it; furthermore, that the outdoor advertising industry is paying for the service."

ATLANTA by 4 to 1 Best TEST MARKET in Southeast!

Also BEST Among All Cities of 250,000 to 500,000 Population

That Atlanta, as a test market, is the overwhelming choice of America's Leading Sales and Advertising Executives is shown by the Ross Federal Report, published in Sales Management of November 1.

For 20 years The Atlanta Journal has been the First Choice of National Advertisers in selling this market.

The Atlanta Journal and WSB-50,000 Watts

The Journal Covers Dixie Like the Dew

THE BRANHAM COMPANY  
National Representatives

New York Chicago Detroit St. Louis Kansas City Dallas Los Angeles San Francisco Atlanta

# Media and Agencies

## Super Car Cards

Advertising media, like products, can often undergo redesign to create new selling values and to give the customer some plus value he hasn't been offered before.

New technique in car card advertising, employing 42-inch strips, twice the length of the old, familiar, standard length cards, and a decidedly new treatment, have recently added much to the merchandising value of this specialized form of advertising. Tests have been carried on for a number of months.

With this larger type of car card the advertiser is enabled to reproduce headlines as they appear in newspapers and magazines, and to use more convincing pictures and more script. Many of the shorter cards have of necessity usually been limited to a poster type of advertising. The new cards can carry a complete sales message.

This type of car card has been worked out in the main by the Chicago office of Barron G. Collier, Inc., through the cooperation of a group of merchandisers and manufacturers. Among these are the Walgreen drug chain, the organized Ford dealers of Chicago, Alka-Seltzer, People's Gas Light & Coke Company, and the Wieland Dairy Company.

When Collier approached the Ford Motor Company about a year ago with the idea of a test campaign, Ford officials were doubtful. They contended that they desired to reach automobile drivers rather than street car riders. Collier salesmen then turned to the Ford distributors in Chicago who have a closely knit organization.

Investigation proved that two of them had been consistently using the old style car cards over a period of years. These were Lawder Bros., and the C. Zupp Motor Company. Zupp was president of the dealer association.

### Cards Sell V-8's

Records quickly revealed that Lawder and Zupp were outstanding distributors; had made records in sales among Ford dealers in the territory. A meeting was held and they told of their experiences. The result was that the association set aside a fund of \$3 per car sold for a car card campaign.

The campaign started with 2,000 of the new type of cards placed in the 4,000 street cars operated in Chicago. The message was flashed to the 3,800,000 car riders in Chicago daily.

Fifty-three dealers participated. The cost ran about \$3,300 a month. The results were considered highly profitable. As a result, similar groups of Ford dealers in Milwaukee, Minneapolis, St. Paul, Omaha, Kansas City, Houston and Richmond, Virginia, have instituted similar campaigns.

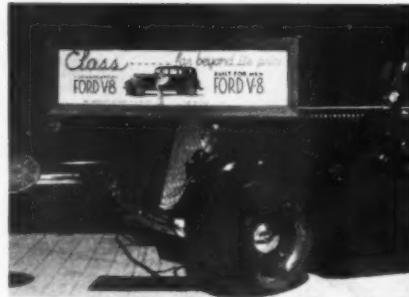
The Walgreen Drug Company for years has featured price, price, price in newspaper advertising. Walgreen has distributed millions of dodgers. Circulars have been used in large quantities. Always price has been the theme.

Could prices be quoted in street car cards? Other advertisers, in past years, had considered it and felt that it was impossible.

But Walgreen did it by printing 4,000 car cards, in four colors, twice a week and changing them as fast as they came off the

press. The printing job cost approximately \$1,000 a week. Increased business was sufficient, officials of the company held, to justify the costs.

Alka-Seltzer took Chicago as a trial market. It wanted to test out car cards using a new technique. After three months' trial it bought similar space in key cities throughout the rest of the United States.



Ford dealers tied up their show windows to their car card campaign by displaying framed cards carrying the same sales messages . . . most of these salesrooms are located on street car lines.

Alka-Seltzer, to speak colloquially, "pulled a new one." This was the adaptation of the comic strip, in color, to car card advertising. It was literally stealing a page from the colored comic sections of the Sunday newspapers. Using the longer, 42 inch car cards, pretty girls and handsome men were employed to discuss Alka-Seltzer.

Typical comic section "balloons" gave the characters voice. These are samples: Pretty Girl, frowning—"I can't go. My head is bursting."

Second P. G., smiling—"Nonsense, two Alka-Seltzers will stop that!"

The Alka-Seltzer campaign in Chicago was started on June 1. The first month it upped sales 35%, in July 25% more and in August another 10%.

Barron G. Collier, Inc., is pushing this new car card technique vigorously. A salesman called on a higher executive of one of Chicago's Big Three packers recently. The object was to sell him car card advertising. The man said:

"I haven't been in a street car in seven years. I use my motor car wherever I go. Street cars are out of date."

"How many cars have you?" he was asked.

"One."

"How many are there in your family?"

"My wife, two children and myself."

"Then three-fourths of your family must be using the street cars pretty regularly, I might say daily."

The executive started, thought a moment, smiled, and replied:

"I guess I stuck my neck out, didn't I?"

Whereat the car card salesman cited these interesting facts about the car-riding public:

"Ten people in Chicago ride the street cars every day to every privately owned automobile in the city. The average Chicago family puts in an hour and a half a day on street cars. The employed, and those are the persons who ride street cars regularly, ride them as much as they ever did. Employment and the number of street car riders go up and down together."

"Studies of street car travel have been made in a number of cities. From 75 to 80% of all transportation, in the big cities, is public conveyance or street car transportation."

"In Detroit, a survey made by the Chamber of Commerce revealed that stores like Hudson's get 85% of the people into their stores by street car or bus and 15% by automobiles. In Los Angeles, 80% of the people coming into the Broadway department store come by street car."

Thus have the car card folks re-vitalized and rejuvenated their space story, merely by shuffling units.

### N. Y. American Sponsors Homemaker's Club

More than one hundred prominent executives of Women's Clubs met at the Hotel Warwick as luncheon guests of William Randolph Hearst, Jr., who announced the formation of a Homemaker's Club. The club was formed to further the interests of women in the home, and the membership will be drawn from both clubwomen and women not affiliated with clubs. The *American* hopes to enroll one hundred thousand women.



Prominent clubwomen meet at the luncheon announcing the N. Y. American's Homemaker's Club.

## L. A. *Herald & Express*

### Installs Color

After the first of the year advertisers in the Los Angeles *Herald* and *Express* will be able to use r.o.p. color, according to an announcement by Dr. Frank F. Barham, president and publisher. Complete color press equipment is being installed now in their modern plant on Trenton Street.

### ABP Issues Agency Certificates

More than 70 member publishers and editors attended the November 22-23 meeting of the Associated Business Papers and the National Conference of Business Paper Editors held at the Mayflower in Washington. Members decided to issue "Certificates of Recognition" to advertising agencies approved by the Advertising Bureau of ABP. These will be ready for distribution early in the year. Next Spring the association will issue a Blue Book containing complete and uniform editorial descriptions of member papers.

The delegates also voted to extend and expand the research studies in general business economics under the chairmanship of John H. Van Deventer, editor of *Iron Age*.

### Newspapers Score Gain

General newspaper advertising in October showed the greatest gain over September for any similar month in the last eight years—an upturn of 36.8%. The gain over last year was 9.8%. Magazine advertising for November (see detailed figures elsewhere in this issue) jumped 16.2% over last year, and the October time sales of the major radio networks was up 39.1%.

### Man Bites Dog: Campbell-Ewald Doesn't Win Second

First and third major prizes for excellence in outdoor poster design were awarded to Campbell-Ewald at the 5th annual National Exhibition of Poster Art in Chicago last month. In addition, they won four out of eleven honorary awards. The comparative strange hold which this agency seems to have on poster awards is shown by the fact that during the last four years they have won three out of four first prizes, 7 out of 12 major prizes, and 14 out of 42 honorable mentions. This year's first prize winner was a Pontiac poster (see cover of this issue), and the third prize was the "sleep like a kitten" poster for the C & O.

### Lord & Thomas Elect Coons

At a recent meeting of its board, Lord & Thomas elected Sheldon R. Coons a director. Mr. Coons was also appointed executive vice-president of the firm and made a director of both the Canadian and British companies. Mr. Coons joined Lord & Thomas some four years ago after a long experience in advertising and merchandising fields.

### Parents Starts Metropolitan Edition and a Newspaper

The December issue of *Parents* carries to 40,000 subscribers in the New York Metropolitan area a special section containing local news and advertisements, and the added feature will be a part of each issue hereafter. Mrs. Florence Page Vincent is editor of the special section and F. J. Robbins is in charge of advertising. *Parents* also will publish through an affiliated organization, a weekly newspaper "for young folks 7 to 17." The first issue will appear January 11.

### And Speaking of *Parents*—

Earle R. Macausland, a former vice-president of both *Delineator* and *Parents*, and W. V. Bowers, for the last five years in charge of Eastern food advertising for *Delineator*, have formed the firm of Macausland and Bowers, Inc., to take over the publishing of the *National Parent-Teacher Magazine*. This is the official magazine of the National Congress of Parents and Teachers, but subscriptions are not sold as a part of the membership. Effective with the February, 1935, issue the publishers guarantee 125,000 net paid, with a page rate of \$600.

### To These Agencies:

Coty, Inc. (magazine space) to Homann, Tarcher & Sheldon. . . . Adolf Gobel, Inc., to Fletcher & Ellis. . . . Hat Corporation of America to Lord & Thomas.

. . . Hercules Powder Company to Donahue & Coe. . . . The Texas Company (magazine and newspaper space) to Newell-Emmett & Company. . . . Maryland Casualty Company to J. M. Mathes, Inc. . . . Gas-Oil Products, Inc., to Willard G. Myers. . . . Angelus-Campfire Company to John H. Dunham.

### Strike-Born Bonus

After two days of suspension, due to a strike called by the American Newspaper Guild, Newark *Ledger* came out November 23 with a circulation double its customary 50,000. The additional number of papers was distributed free to combat efforts of the strikers who were issuing their own paper, the *Reporter*. Advertisers flocked in to get the *Ledger's* temporary circulation "bonus." Total lineage on that Friday was 44,000 as compared with 26,600 of the previous week.

IT DARES TO BE DIFFERENT



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Difference No. 7

A MAGAZINE  
SECTION  
With a Purpose . .

To extend the horizon of human thought—to serve as a forum for statesmen, educators, financiers, journalists of many lands—The Christian Science Monitor publishes every Wednesday a Weekly Magazine Section. Printed in rotogravure, it affords opportunity for effective two- and four-color advertising.

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AN INTERNATIONAL DAILY NEWSPAPER.

# Sales Letters

BY MAXWELL DROKE

## How Clever Should a Letter Be? And How Long Is a String?

"How clever should a sales correspondent be?" someone inquired the other day. (People do ask me the damndest questions!) My interrogator then went on to say that he didn't want to be unduly quibbling. And yet—well, it did seem that the individual in his organization whose duty it was to correspond with "the trade" might put a little more—well—er—cleverness into his letters.

To answer adequately such a query we must have, I think, a more precise definition of the term "cleverness." What has the gentleman in mind? Would he see his routine letters adorned with jokes and sparkling epigrams that flash with the brilliance of a dime-store diamond? Would he have his correspondent strain and struggle for a sensational smash in the opening paragraph. I think not. For the merchant who seeks your lowest net FOB price on one (only) Kitchen Sink, Model X-1234, prefers that the information be imparted without the aid of theatrical trappings.

But if, as I surmise, the boss seeks, in this situation, a certain ingenuity in the art of phrasing; an ability subtly to convey in the most commonplace communication a feeling of friendliness, of interest, and of appreciation, then that, I believe, is not too much to expect of a man who has, by inference, accepted the responsibility to maintain and increase the good-will of the house that pays his wages.

Every man who puts words on paper with intent to sell has an obligation to make his message as engaging as possible; to seek new ways of saying old truths; to smoke out new facts concerning his shoes, or ships, or sealing-wax; to harness, where possible, the great force of timely events—and to be genuinely interested in the wants and needs of the man who is destined to read his missive.

Relatively few correspondents observe this obligation. And so the exasperation of the boss is, it seems to me, quite explicable. Day upon day, he sees letters going out that do not measure up to the standards of the house. Perhaps he is a bit too exacting. Perhaps he sets a standard not readily attainable. I fancy, too, there courses through his veins a trifle of the blood of Lady Macbeth. And with that dauntless dame he is tempted to rasp, "Infirm of purpose! Give me the dagger." He feels that he can do the job a great deal better than it is being done by his "correspondent." And sometimes he can!



Maxwell Droke

## Standing Invitation

Mr. Droke is always glad to criticize sales letters and direct mail messages for our subscribers. There is no cost or obligation for this service. Address him in care of SALES MANAGEMENT, enclosing a stamped, addressed envelope.

## Even a Dun, Plus a Twinkle, Can Leave a Pleasant Taste

In the collection of those troublesome accounts that are neither very old nor very large, I am not one of those to stand out for dignity-at-any-cost. So be it the letter collects the money and leaves "a good taste in the mouth" it has done its duty. Chas. D. Bridell, Inc., assures me that this one does both. I deem it, therefore, a good letter:

"When one gives the porter baggage—he gets a check;

"When one dines in a restaurant—he gets a check;

"When one looks over some figures—he begins to check;

"When one asks for money—he usually draws a check;

"But, by golly, you must have forgotten to send us the check we've been looking for.

"You know, that little charge of ..... for \$.....

"How about sending it on, now?

"Thanks!"

## She Wanted a Job; She Used Her Bean. P.S. She Got It

An inexperienced little girl got an office job in Chicago the other day. She got it without pull, or drag, or even acquaintance. Got it within a few brief hours—and without even leaving her home to do so little as a block of pavement pounding! In this day, when millions of hands are idly folded on gnawing bellies; when "Situation Wanted" advertisements jostle and crowd one another upon the pages of our public prints; when the very hint of an opening anywhere brings a surge of applicants—I claim that this accomplishment is news of headline proportions.

This little girl (her name is Frances Munson) wrote a letter—wrote it on a simple sheet of paper on which was printed her name, address, telephone number, and a halftone reproduction of her countenance (a sweet, wholesome-looking kid, she is; but scarcely a face to launch a *Leviathan*, or upset an office). Frances mailed 132 of these letters, addressed to executives of Chicago advertising agencies. Into the postoffice box they went at ten o'clock of a Tuesday morning. At three that afternoon came a telephone call, asking her to call for an interview. She landed a good job on this first interview. Three calls for interviews followed in quick succession.

And here is the letter—not, I grant you, an example of blazing genius; but it does show originality and ingenuity. And so great is the dearth of these sterling virtues that even the faintest glimmer is seized upon as a symbol and a sign of promise:

"Some of the business men I have interviewed during the past few weeks in my quest for a position have said that there is no opportunity in the business world these days for a 'new comer.'

"I don't believe it! That is why I am asking you to take five minutes in your busy day to consider my qualifications and give me your valuable opinion on this perplexing problem.

"PERSONAL: I am 18 years old, of American birth and parentage; Protestant faith. Although I live at home with my parents, I am in no sense seeking a position merely for pin-money. On the contrary, it is imperative that I become permanently located. My health is excellent.

"EDUCATION: My education includes the full four-year commercial course at Senn High School, Chicago, from which I was graduated in June, this year. This course includes bookkeeping, stenography, filing, etc. My four-year marks average 86%. I am now attending evening classes.

"EXPERIENCE: I worked during two summer vacations while attending high school. Naturally, this experience has provided me with some of the fundamentals of modern business routine and procedure. At least, the ground work has been laid.

"CHARACTER: As to my personality and character, I can refer you to former employers, instructors, my church pastor and personal friends. All will vouch for my morals, integrity, disposition and ability.

"SALARY: Secondary. What I want right now is the opportunity.

"There, briefly, are some of the facts about me. I expect to start in at the bottom of the ladder—filing, switchboard relief, checking and preparing records—any of the dozens of tasks that have to be done in your office every day.

"The postage-paid card enclosed is for your convenience. Or, if you prefer, telephone me at Briargate 2490 to come down and talk it over."

\* \* \*

If ever there is a letter that should have the warmth and glow of the personal touch, it is the Year-End "Thank You" letter—the message that goes out, usually, on a Holiday letterhead, just a few days this side of Christmas. But sad to relate, even this letter has now taken on pretty much of a definite pattern: "We are happy to have this opportunity of extending to you the Season's Greetings, and of thanking you for the patronage you have so generously given us throughout the year that is now drawing to a close . . ." Ah! Can't you just see the old log fire smoking asthmatically, and feel the Spirit of Christmas descending upon you with the gay squ-u-sh of a soggy blanket? With Mr. Scrooge, we venture a scornful "Bah!"

This year, for goodness sake, let's try to do a bit better!

SALES MANAGEMENT

## Shall We Put Out a Cheaper Line to Meet Competition?

(Continued from page 555)

to attempt to make low priced goods in the same factory.

The whole idea of high quality manufacturing is at variance with low quality manufacturing. In a high quality factory the people are high quality. They have a personal pride in their work. In a low quality factory, the quality of the goods seems to permeate the personnel, and with the low cost, with the stress that must necessarily be put on cost at every turn, low quality factory workers and even office workers are the result. At first the working of these principles is not evident. It may take several years for the downward trend both in quality and personnel to work out. But, from my experience and observation, it does inevitably work out.

Now let me take another case that comes vividly to my mind. There was a factory in New England that originally made very high quality goods, but as the years passed, because of a reduction in the quality of the management, the quality of their goods started to slip. Finally, this firm found themselves in difficulties. So they hired a very well posted, energetic man, who had been in their line of business for years, as president and general manager. He had traveled all over the country for another company, and had heard the howl of the jobbers for low priced goods to meet mail order house competition.

### Fight Fire With Fire?

When he took charge of this factory he was convinced it would be a long uphill job to bring back the reputation of the company as manufacturers of high grade goods. So he conceived the idea of reproducing a line of cheap goods made for the mail order houses, to be sold to jobbers. In other words, instead of compromising between good and bad quality, he decided that the proper way to pull this factory out of its difficulties was frankly to make a line of goods that could be sold in competition with the mail order houses and chain stores.

He picked out the complete assortment of goods in his line carried by the mail order houses and duplicated it. Where the finish of an article was poor, he made his finish just as poor. Where the sizes were short, he made his sizes just as short. The wages paid in his factory and in the

factory office were also adjusted to the low grade idea. The idea was to get mass production and mass sales, and still make a profit. When the line was completed, the new president himself went out to see the jobbing trade, and he cleaned up with them when he showed them a line of goods with which they could compete with the mail order houses on even terms and still make a profit.

This experiment has now been under way for some two years, and so far it seems successful. But right here let me point out that this manufacturer did not kid himself. He made up his mind to manufacture cheap goods all down the line, and adjusted his entire factory to produce this class of goods.

In selling them he is absolutely frank with his trade. He does not tell them that he is producing the best goods on the market. He merely tells them that he is producing a line of goods which they can buy from him cheaper than from any other factory in the country. His policy has been consistent. He sells on price. And note this point: The name of his factory does not appear on his goods. If his customers wish to buy quantities sufficiently large to justify special brands, he will put their brand on the goods, but his goods go out otherwise without any factory name or address.

As long as he can manufacture at a price, no doubt he can hold a large part of this cheap trade, but his factory

## Printing

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### DEPENDABLE PRINTING

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COMPLETELY EQUIPPED  
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DAY and NIGHT  
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•

Printing and  
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(Linotype, Monotype and Hand)

#### PRESSWORK

(The Usual as well as Colors)

#### BINDING

(The Usual, Machine Gathering, Covering and Wireless Binding)

#### MAILING

(This Dept. is equipped to deliver to the post office or customers as fast as printed and bound)

#### ELECTROTYPING AND ENGRAVING

(Our facilities are up-to-date and can take care of any sized orders)

#### ADVERTISING SERVICE

(Planning, copywriting, designing, photographing and artwork)

### OUR SPECIALTIES

Catalogues  
Booklets  
Publications  
Trade Papers  
Magazines  
House Organs  
Price Lists  
Pamphlets  
Proceedings  
Directories  
Histories  
Books  
Broadsides  
Folders  
Circulars  
and  
General Printing

#### PROPER QUALITY

Because of up-to-date equipment and best workmen

#### QUICK DELIVERY

Because of automatic machinery. Day and night service

#### RIGHT PRICE

Because of superior facilities and efficient management

**TO OUR PROSPECTIVE CUSTOMERS**—Our growing business which comes from all parts of the United States is because of satisfied customers. For your investigation further we will be pleased to furnish the names of well known firms who are our present customers. Consulting with us about your printing problems and asking for estimates does not place you under any obligation whatever.

Secure our proposal on your printing • Large and small orders solicited • Proposals made on all or any part of our services

— \* —

## PRINTING PRODUCTS CORPORATION

Telephone Wabash 3380  
All Departments

Established 1888

Polk and La Salle Streets  
Chicago, Illinois

Luther C. Rogers, Chairman  
Board Directors  
A. R. Schulz, President and  
General Manager

J. W. Hutchinson, Vice Pres.  
and Sales Director

H. J. Whitcomb, Vice  
President  
W. E. Freeland, Secretary  
and Treasurer



WE'VE TRIMMED OUR  
TREE FOR YOUR  
*Christmas Presence*  
AT  
**CHALFONTE -  
HADDON HALL**

"Merry Christmas" is again our creed at these friendly hotels by the sea. It lurks in every stocking stuffed and waiting for the children. It resounds in the glad chorus of carols around the Haddon Hall tree on Christmas morning. It greets you anew in the bountiful feast our chef has conjured up as a sort of special Christmas present. And the program we've arranged — of pleasures for the youngsters, of concerts, dances and special entertainments for the grown-ups — will convince you that Santa himself presided over the plans for your holiday here.

The resort, too, offers many special and timely attractions. Church is close by. The Boardwalk is at our door, a veritable fairy-land of lights and decoration. There's ice hockey in the Auditorium, horseback riding beside the surf, golf on nearby courses. Also our long Ocean Decks from which to view the sea and the holiday spectacle. Dull moments just don't exist.

So rally round the Christmas tree at Chalfonte-Haddon Hall. We'll make you feel at home without the fuss of maids and meal-planning. Make a grand family party of it and stay as long as you like. Christmas lasts all week with us. Moderate rates on both the American and European plans. Also special weekly rates. Write for reservations.

Leeds and Lippincott Company

**Chalfonte-  
Haddon Hall  
ATLANTIC CITY**

name, which years ago was known all over the country, today has passed out of the picture.

There is another angle to this problem. The manufacturers of a well-known, nationally advertised, high quality brand of goods felt the necessity of a cheaper brand to meet certain competition. But before going into the manufacturing of these goods, they decided to make a thorough investigation and find out what the cost of a lower grade brand would be, as compared with their regular brand.

In the course of their investigation they discovered that the raw materials used in their line of goods were of such a standard nature that they could not buy them at a lower price for the cheaper goods they were contemplating manufacturing. Practically nothing could be saved in the cost of the raw materials. The only saving they could effect would be in not advertising the goods and not charging up their full share of the selling costs. This line of goods happens to be made with automatic machinery. There is very little hand work. Some saving could have been made on the cheaper line by less careful inspection, perhaps, but it was found that with the high-grade automatic machinery used they had practically no seconds. Even if there had been no inspection whatever the majority of the goods would not have been sufficiently low-grade to make a difference in price.

#### Alternative to Cheaper Line

This factory was convinced, therefore, that the only way they could bring out a special brand at a low price would be to sell the goods at a lower price and simply absorb the difference in selling price out of their profits. And they decided that the advantages to be gained by putting out a special brand at a lower price did not justify any such action on their part.

They decided if they had to make lower prices, it was just as cheap to reduce the prices on their own line, and perhaps gain in volume what profit they lost in the lower price. And, strange to say, this always happens. As soon as a high grade nationally advertised line of staple goods is reduced in price, there almost invariably is an increase in demand. So this manufacturer solved his problem not by putting out a special brand either of his own or for the jobbers who were his customers, but by cutting the price on his own brand. Therefore, his name still stands out in the trade. He is still advertising his product nationally, and his satisfied users, by reason of the lower price, buy more of his goods, and he derives the benefit of their

acceptance and good will.

Another manufacturer, confronted with what he thought was the necessity of bringing out a cheap line in order to freeze out certain competition, devised the plan of selling the customer only a certain percentage of the cheap goods in relation to the amount of high grade goods bought. For instance, if a jobber would buy one hundred dozen of his own product, he would sell him twenty dozen of his special brand at a low price. This manufacturer's idea was to counteract the tendency outlined in the general principle—that the trade will always drift to the lower priced goods. But his plan didn't work, for the simple reason that the jobbers would sell their twenty dozen of the low priced goods and still have on hand a liberal quantity of his high priced goods. And they would wish to re-order the low priced goods, without the necessity of buying the others.

#### Don't Mix Your Chips

As he attempted to stick to his plan, his policy only led to dissatisfaction on the part of his customers. They told him they could not make the retailers and consumers buy high and low grade goods in certain proportions. It could not be done. So the manufacturer had to give up his plan, stop producing the low priced goods, and compromise by making a reduction in the price of his high grade goods.

My conclusion on the whole matter is that if a manufacturer has a well established trade on his own brand, it is dangerous for him to play with a low priced, special brand. It is also my conclusion that making high grade and low grade goods in the same factory does not work out. If you are going to be the manufacturer of a "blue chip" line, stick to your "blue chips." If you decide to go into the "white chip" game then discontinue your "blue chips" and concentrate on the "white chips." "White chips" and "blue chips" somehow do not seem to mix well.

#### Kids Help Sell Crosley Radios

Crosley Radio Corporation Cincinnati, through its 21,000 dealers is enrolling boys and girls under 18 as Junior Salesmen. In addition to a cash commission of 5%, the ten youngsters who score the highest points in the contest will receive a Crosley Junior Motor Racer valued at \$250.

Contest rules require a participant to secure a record card from an authorized dealer. One point is credited to contestants for each dollar of the radio's selling price. Commissions are paid and prizes awarded by dealers only on actual sales to prospects not being contacted by dealers at the present time.

## Philip Morris Prosders Even More When Johnny Calls in Person

(Continued from page 557)

a record for that store. But in the two days Johnny was there it sold 8,000 more! The "Call for Philip Morris," it seems, was heard beyond the stadium.

During this busy year, Mr. McKittrick and Mr. Sheridan, increasingly proud godfathers, have accepted invitations for Johnny to visit Philadelphia, Washington, Baltimore, Pittsburgh, New Haven, Detroit, Buffalo and a lot of other cities within an over-night train ride from New York. The invitations have come from large dealers, some of them operating hundreds of stores, and from middle-sized ones. They have also come from other organizations. The guardians will send him only for an "occasion"—the opening of a large store, or an important game, exhibition, convention or celebration.

### Even at the High-hat Places

The annual Devon, Pennsylvania, Horse Show, for instance, is an important and quite up-stag affair. Nothing "commercial" about it. But Johnny went, by invitation, and Philip Morris & Company, in consequence, had a booth there. It goes without saying that Johnny made sure which brand the ladies and gents smoked. . . . He was in the parade in the Cherry Blossom Festival in Washington last Spring. . . . In June admirals of the Fleet entertained him at luncheon on the Hudson. . . . Attired always in public in his page-boy suit, with "Call for Philip Morris" on the front of it, you may have seen him one day with the West Point polo team, on another with a pennant-winning baseball club (the Philip Morris people do not pretend to assume that all the players smoke their product!). On a third he was guest of an automobile manufacturer at the plant in Detroit. The other day you may have run across him sitting on a pile of hay in Madison Square Garden, with champion steerslingers and bronco-busters there for the Rodeo. . . . Johnny is in his working clothes (he has, of course, a dozen suits of them) from morning till midnight. He does not work that long. The guardians are careful to see to it that he gets rest periods during the day. But when in New York he reports to Mr. Sheridan for "orders" every weekday morning at 11 o'clock. And late that night you may see him in night clubs or other

places where things are doing and people gathering, stepping out a bit for Philip Morris.

Other commercial enterprises like to have Johnny participate in their affairs. Sometimes, on tour, he appears in radio programs of local sponsors. Gimbel's store in Pittsburgh entertained him royally the other day and put him on their air. That was only one of three radio programs in which he appeared in one day there. (The kiddie program sponsors like him especially, because he looks boyish, despite his 23 years.) At these radio appearances Mr. McKittrick and Mr.

Sheridan have stopped worrying long ago about what their ward will do. They do not escort him. They do not prompt him. To be sure, they do have continuities written for his extra radio appearances, but they say that even these are no longer necessary. The continuities for the Pittsburgh talks were sent to him special delivery. (The Pittsburgh visit was decided on unexpectedly after a trip to State College, Pennsylvania.) The letter missed him. Johnny spoke extemporaneously. The guardians liked it even better that way.

With scores of thousands of dealers,

## Sectional Sales Manager

### Salary \$10,000 Per Year Plus Bonus

Either a sales manager or a crack salesman to work in field with men. Products: COUNTER ICE CREAM FREEZERS, AUTOMATIC PHONOGRAHS, REFRIGERATION CONDENSING UNITS. Age: not over 40

*All applications must be in writing*

Address RALPH J. MILLS, Vice-President

MILLS NOVELTY COMPANY

4100 Fullerton Avenue, Chicago, Ill.

A \$10,000,000 Institution, Established 1889



## For \$6 a Day

You wouldn't believe it possible for one to travel to so many ports for so little money until you've enjoyed one of these

### CARIBBEAN WEST INDIES SOUTH AMERICAN CRUISES

25 DAYS - \$150 UP

Large, comfortable trans-Atlantic liners. Delightful accommodations. Excellent cuisine. Swimming pool. All deck sports. Sun bathing. Interesting sight-seeing tours. Sailings every other Friday.

5,000 miles of travel brings you to 15 ports, the colonies of four different nations.

#### 15 PORTS

St. Thomas, St. Croix, St. Kitts, Antigua, Guadalupe, Dominica, Martinique, St. Lucia, St. Vincent, Barbados, Trinidad, Paramaribo, Demerara, Grenada.

See your agent for further details or send coupon below.

### AMERICAN CARIBBEAN LINE

Moore & McCormack Co., Inc.

Gen. Pass. Agts.

5 BROADWAY, NEW YORK

BOURSE BUILDING, PHILADELPHIA

Send for Booklet SM

Name .....
Address .....
City .....
State .....

it is manifestly impossible for Philip Morris & Company to introduce Johnny to each of them—even to the thousands in New York City. But many of them are interested in his journeys. At the request of one New York dealer a couple of months ago Philip Morris prepared a display showing Johnny with interesting people on interesting occasions. Nine photographs were grouped together under the title, "Johnny Goes Places." The display was attractively framed. It cost about \$4. Some 2,000 New York stores are now using Philip Morris displays in their windows. Other dealers saw or heard of "Johnny Goes Places," and wanted it. The Philip Morris people have had to prepare large additional quantities. They think that must be the limit. Even in volume the display cost about \$3 each.

#### Johnny Inspires Showmanship

Many another manufacturer has gone into showmanship pretty heavily in the last few years, but his interest seems to be mostly in opera stars, comedians, crooners or bring-em-back-alive hunters. Johnny is none of these. He is just a page. An intelligent, capable young fellow—"normal" in everything but size. In a sense, of course, he is more significant than any of the others probably could be because he is the living personification of a product. Mr. McKittrick and Mr. Sheridan are unblushingly proud of the way he has filled the bill. They admit that he has inculcated showmanship throughout their organization.

Considerable rivalry has developed over the best ways of presenting Johnny. Two of the vice-presidents, Norman E. Oliver, in charge of sales along the Middle Atlantic Coast and in the South, and Thomas F. Gannon, in the Northeast, are hard at it. The Syracuse reception, for example, was largely Mr. Gannon's doing. But just let Mr. Oliver tell you how he managed things in Baltimore and Washington and Pittsburgh.

Your reporter did not see much of Johnny the last time he was down at PM headquarters at 119 Fifth Avenue. Johnny was busy dictating letters of thanks to hosts who had presented him with things. . . . To be sure, he does not work all the time, even at work as colorful and entertaining as his. Now and then he goes hunting in civilian clothes with one of his six-foot Italo-American brothers. Mr. Sheridan showed us a snapshot of Johnny on the beach with a couple of very normal girl friends. He was passing around a package of Philip Morris!

## 9 Big Home Product Firms Sponsor Caravans to 654 Markets

Nine prominent manufacturers of products used in the building and operation of homes have united, on the initiative of General Electric Company, as the "Industrial Sales Committee Cooperating with the Federal Housing Administration," which will send motor caravans, starting next Spring, to 654 markets to present their wares.

Already in the group, in addition to GE, are Johns-Manville Corporation, American Radiator and Standard Sanitary Company, Westinghouse Electric and Manufacturing Company, Armstrong Cork Company, Crane Company, Sherwin-Williams Company, Alexander Smith & Sons Carpet Company, and Weyerhaeuser Lumber Company.

The committee is headed by Carl L. Hamilton, of Weyerhaeuser, St. Paul. In charge of sales is A. A. Uhalt of GE's refrigeration department, Cleveland, and in charge of promotion, H. M. Shackelford, Johns-Manville, New York.

After a test tour in Southern cities, it is expected that caravans of about 18 coaches each will be sent into the Eastern, Middle Western and Pacific Coast sections of the country, visiting virtually all cities and towns of less than 250,000 population. The arrival of a caravan in each market would be staged by advance men who would prepare for participation of distributors, dealers, contractors and other local factors, including Chambers of Commerce and FHA units. Local advertising programs would start on the arrival.

It is possible that an FHA car, prepared by the Administration, will be the "flagship" of each fleet. For the most part the manufacturers will be non-competitive, Mr. Shackelford explains, but the group is seeking especially to have all major home products represented in order to present a complete sales story.

### F. E. Sellman New Servel V-P

F. E. Sellman has been elected vice-president of Servel, Inc., Electrolux refrigerator manufacturers. He will be in charge of distribution, sales, advertising and sales promotion activities in the marketing of Electrolux gas and kerosene-operated refrigerators. Graduated from Stevens Institute of Technology in 1908, Mr. Sellman was with the Pennsylvania Railroad for 18 years. In 1926 he joined Servel as a consultant engineer, later to be placed in charge of sales, followed by promotion to the vice-presidency of two Servel sales subsidiaries. During the World War he was an engineer officer aboard destroyers of the United States Navy.



*Acknowledgments to  
"CHESSIE"  
the Chesapeake and Ohio kitten*

A year ago the famous poet, James W. Johnson, writing for a humor magazine, said: "What we published your picture, a lot of folks said: 'What ever heard of writing a good ditty like an ad? What's the use?' But you said, 'My Ohio! Railroads go to hell unless you've got a gentle cat like me in it to keep them in line.' And that was your idea of a kitten's role in the public. Oh, yes! That's the spirit of the hour. The public, I mean. The public, you might say, in an array of high pressure language, could do the supreme mission of Chesapeake and Ohio's greatest transportation system. The right of way, on The George Washington, meekly yields room for the right under the soft, clean, and silent shade trees; and we are, and try to be, and they are, coming, and bringing their strength with them. And for all of that, Chessie, we're grateful. And we're the keepers who sleep like a kitten. — We're going to see you again, with the two little Chessies, on our 1935 calendar, knowing full well that we won't be enough to go around."

George Washington Johnson  
CHESAPEAKE and OHIO  
Lines  
President George Washington Johnson  
1000 Superior Avenue, Washington, D. C.

Travelers liked her snug snoozing

## Talking Points

CHESAPEAKE AND OHIO used the slogan and picture "Sleep like a kitten" to suggest as no "array of high pressure language could do, the supreme comfort of C & O genuinely air-conditioned trains." Overnight "Chessie" became the Kitten of the Hour. Now the line is using her on its 1935 calendar and in its ads. Because the sight of her "made travelers want to come and try . . . the soft, clean, cool linen."

GENERAL PENCIL COMPANY, Jersey City, brings out five new inks in quart size bottles. After the ink is used, the bottles may be re-used as either cocktail shakers or lamp bases. That's giving both the W.C.T.U. and Brass Rail Brigade a choice.

CHEVROLET, hearing Christmas bells jingling a little way off, steps forward with "The answer to Your Xmas problem. . . . Chevrolet accessories." Heaters, seat covers, bumper guards, wheel shields and luggage carriers are among the items suggested to solve the great Annual Problem. "Mother or Dad, Brother Bill . . . or your own particular Heart Throb will welcome any of these comforts, conveniences or necessities for their cars."

CAMPANA'S ITALIAN BALM inquires "How many eyelids has a dog?" and then, lest all but dog fanciers remain forever in the dark, tells us: "Three eyelids . . . the third being an inner lid that works from the corner by the nose, across the eye

to the outside. A dog, all animals are provided with this super-protection. Campana's Italian Balm gives the same kind of super-protection to your skin." Ingenious, no doubt, but does American womanhood want three eyelids?

AMERICAN THERMOS BOTTLE COMPANY invokes the spectre of "cheap Chinese labor" (or maybe it's Czechoslovakian) when it warns folks to beware of foreign-made bottles. "Some of them have actually been labeled Thermos. . . . Others not labeled are being sold to careless buyers who are allowed to assume that they are buying the authentic Thermos." While the name Thermos is a registered trade-mark and the sole property of that company, it has, like victrola, kodak and vaseline, become almost a generic term. The current ad series, in trade papers and national magazines, is intended to correct this misapprehension.

CORN PRODUCTS REFINING employs a potent argument in its farm journal advertising of Karo syrup: "Made from American corn which is purchased for cash." Thus a farmer who buys Karo gets not only "Dextrins, Maltose Sucrose and Dextrose," but puts money back into his own pocket.

AMERICA'S CUP coffee pounds away on the argument "Freshness can't hide poor quality. Coffee may be rushed to your grocer's shelves; it may be ground before your eyes—but if the raw beans from which it was made were inferior, no amount of ballyhoo will make good coffee of it." Are we right in suspecting this as a sly dig at Chase and Sanborn's "Dated" boast?

# THE BUSINESS INDEX

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## The Business Index

Published by Crandall, Pierce & Co.  
1600 Bankers Bldg., Chicago  
74 Trinity Pl., New York

*In*  
**CHICAGO**  
*A Luxurious  
HOME . . .*  
*AN Hospitable  
CLUB . . .*  
*A Sportsman's  
PARADISE . . .*  
All Under One Roof



*A Leading Club With All the  
Facilities of a Fine Hotel*  
More than 400 luxuriously appointed Rooms and Suites with every modern convenience . . . for transient guests . . . Men, Women and Families.  
\$3 Single—\$5 Double

**CLUB PRIVILEGES**  
Available to Guests  
Swimming Pool, Men's Health Baths, Ladies' Health Baths, Billiard Room, Golf Course, Gymnasium, Rifle Range, Handball Courts, Bowling Alleys

**MEDINAH**  
**CLUB of Chicago**  
505 NORTH MICHIGAN BOULEVARD

Dinner Dancing  
NIGHTLY

Address Reservations  
to  
H. G. PHILLIPS  
Business Manager

ACCOMMODATIONS FOR THE ENTIRE FAMILY

# Magazine and Radio Expenditures

Special Report Compiled for SALES MANAGEMENT by Advertising Record Company, Chicago

CLASS	Product Classifications	NATIONAL MAGAZINES				NATIONAL NETWORK				RADIO BROADCASTING	
		Nov. 1933	Monthly Totals 1934	Nov. 1933	Cumulative Totals 1934	Oct. 1933	Monthly Totals 1934	Oct. 1933	Cumulative Totals 1934	Oct. 1933	1934
1—Automotive Industry	.....	\$ 739,429	\$ 754,600	\$ 8,397,985	\$ 12,117,442	\$ 261,383	\$ 543,930	\$ 1,756,734	\$ 3,091,282		
2—Building Materials	.....	215,479	274,184	1,519,422	2,189,386	30,040	35,412	36,140	136,249		
3—Cigars, Cigarettes and Tobacco	.....	395,006	502,913	3,893,352	4,922,286	134,483	315,920	2,343,924	2,561,835		
4—Clothing & Dry Goods	.....	302,914	452,418	2,206,667	3,307,768	46,308	25,368	318,342	274,696		
5—Confectionery & Soft Drinks	.....	184,759	208,695	1,497,517	1,760,289	188,468	116,807	883,591	942,905		
6—Drugs & Toilet Goods	.....	2,308,279	2,382,459	19,662,660	21,153,308	910,165	1,496,615	5,916,787	10,997,508		
7—Financial & Insurance	.....	239,369	285,086	2,013,709	2,408,476	64,112	57,202	548,719	514,069		
8—Foods & Food Beverages	.....	1,957,600	2,071,268	17,125,624	17,965,611	1,080,232	1,217,872	7,286,447	9,221,403		
9—Garden & Field	.....	6,573	6,506	372,603	434,565	Nothing	Nothing	18,922	28,481		
10—House Furniture & Furnishings	.....	589,334	795,821	4,280,997	6,224,676	11,496	26,078	335,394	370,890		
11—Jewelry & Silverware	.....	157,588	232,580	641,581	1,205,960	4,712	3,800	16,089	18,482		
12—Lubricants & Petroleum Products	.....	168,218	163,268	2,314,962	2,197,535	311,123	317,944	3,023,785	2,345,016		
13—Mach., Farm Equip. & Mech. Sup.	.....	28,764	60,077	258,194	412,260	Nothing	8,494	20,657	23,534		
14—Office Equipment	.....	70,071	180,196	385,321	1,039,149	25,138	Nothing	62,482	133,856		
15—Paints & Hardware	.....	81,231	83,895	667,851	1,034,029	19,491	23,971	120,391	175,083		
16—Radios, Phonographs & Mus. Instr.	.....	272,869	212,587	953,343	1,199,640	57,812	95,426	481,403	469,251		
17—Schools & Correspondence Courses	.....	105,350	109,445	1,367,271	1,347,408	Nothing	Nothing	Nothing	Nothing		
18—Shoes & Leather Goods	.....	133,634	201,049	1,033,413	1,463,510	Nothing	15,316	8,743	33,504		
19—Soaps & Housekeepers Supplies	.....	580,012	554,731	6,312,280	6,169,256	92,247	133,583	799,808	1,605,111		
20—Sporting Goods	.....	45,556	101,103	972,345	1,477,503	Nothing	Nothing	Nothing	Nothing		
21—Stationery & Publishers	.....	197,572	256,734	1,428,864	1,830,324	1,902	49,020	150,825	280,845		
22—Travel & Hotels	.....	242,451	302,341	2,510,639	3,359,579	Nothing	Nothing	123,786	84,417		
23—Wines, Beer & Liquors	.....	106,327	334,819	478,377	2,497,209	Nothing	30,685	Nothing	413,211		
24—Miscellaneous	.....	210,468	325,073	1,875,653	2,971,708	16,727	14,589	100,245	120,857		
Percentage gain, 1934 over 1933		\$9,338,853		\$10,851,848	\$82,170,630	\$100,688,877	\$3,255,839	\$4,528,032	\$24,353,214	\$33,842,485	
		16.2		22.2		22.2		39.1		38.9	

Note—The National Magazines checked total 77 publications, 11 weeklies and semi-monthlies, and 66 monthlies. The monthly totals on national magazines are based on November issues for the monthlies, but including *Vogue*. The other weeklies and semi-monthlies are October publications. All figures are based on the one-time or single insertion rate.

Note—The Network Radio Broadcasting figures cover all national or chain broadcasting carried over the networks of the National Broadcasting Company and Columbia Broadcasting System. The figures cover facilities only and do not include talent.

## Radio Listening Habits of the Clancy's vs. the Delancey's

"A report on ten months of trudging up the hill to Sleekville Summits, down the hill to Bleekville Flats, with many a pleasant chat along the line of march on Maple Street's (your and my) front porches"—all this to find, through 88,462 coast to coast calls:

1. How long they listen to their radio sets in upper-income, middle-income and lower-income homes.

2. How many of them do every day. How many of them do every morning and afternoon. (6 A.M. to 6 P.M.)

3. How far up and how far down radio-ownership has reached since the U.S. Census, in terms of income levels.

4. How many years the habit of radio-listening has been growing on each economic stratum of the U. S.

5. Does ownership of more than one radio per home follow the curve of annual family earning power?

6. How many "home-radio" owners also have automobile radios. Are these only in upper-income levels.

So, in a brilliantly simple brochure does the Columbia Broadcasting System describe its latest major effort in the direction of urban radio listening habit

finding by income classes. Over 88,000 personal interviews were secured by Dr. Starch's indefatigable fact finders, in six income-groups (AA to D). The facts on income groups are complete and authoritative. But as the brochure itself intelligently admits, "As this booklet shaped up, we began to suspect that maybe the differences in radio listening between income levels, to which this job is dedicated, aren't as exciting as the totals."

Conclusions reached by this brochure:

1. Seventy-seven per cent of all radio-owning families in the *upper* income levels listen daily for an average period of 4 hours and 16 minutes. Another 4% of them listen daily away from home.

2. Seventy-eight per cent of all radio-owning families in the *middle* income levels listen daily for an average period of 4 hours and 27 minutes. Another 3% listen away from home.

3. Seventy-eight per cent of all radio-owning families in the *lower* income levels listen daily—for an average period of 4 hours and 28 minutes.

Another 2% listen daily away from home.

4. During daytime hours (6 A.M. to 6 P.M.) 50.9% of all radio-owning families in the *upper* income levels listen daily, 54.3% of those in the *middle* income levels, 56.8% of those in *lower* income levels.

5. Radio ownership averages 90.0% of all homes in the areas surveyed, ranging from 71.7% in the lowest (D) income level, to 99.1% in the highest (AA) income level.

6. *Upper* income homes have owned radios for 7.6 years; *middle* income homes for 5.6 years. *Lower* income homes for 4.4 years.

7. Of all families who own home radios, automobile radios are also owned by 33.4% of the *upper* class, 17.6% of the *middle* class, 7.0% of the *lower* class.

8. 34.4% of all radio homes in *upper* income levels have two or more radios (not counting auto radios). This is true of 13.8% of *middle* income level radio homes and of 5.2% of the *lower*-income-level radio homes.

9. Ninety-six per cent of all home radios are kept in working order. The figure ranges from 94.4% in *lower* income homes (96.4% in *middle* income homes) to 98.4% in *upper* income homes.



Booklets reviewed below are free unless otherwise specified, and available either through this office or direct from the publishers. In addressing this office, please use a separate letterhead for each booklet requested, to facilitate handling. The address is SALES MANAGEMENT Readers' Service Bureau, 420 Lexington Avenue, New York, N. Y.

Surveys for which a charge is made are so indicated. Requests for these, accompanied by the purchase price, should be mailed direct to the publishers.

### Hotels and Restaurants Do Third of Liquor Volume

According to a handsome and highly factual study just released by that authority on the hotel and restaurant field, The Ahrens Publishing Company, hotels and restaurants sell one out of three bottles of all wine and liquor consumed by the American post-prohibition public. (Other surveys have shown as much as 60% in favor of the hotel trade, so the Ahrens estimate is conservative.) When pressed, 1,138 bartenders and managers said further that less than 5% of their customers mentioned brand names when ordering.

The inference to liquor manufacturers and distributors seems significant—consumer advertising has relatively little influence on moving specific brands sold through hotel and restaurant outlets, one-third of the national liquor market. Furthermore, if the buyer for a hotel spends \$25,000 annually for wines and liquors, and the buyer for a restaurant spends \$10,000 (estimates covering the average of important institutions), and the man who buys all the alcoholic beverages for the representative American home spends less than \$250 per year—the matter of selective marketing becomes instantly important and apparent. These and other significant matters are covered in *"This 1/3 of Your Market Demands Special Attention,"* valuable to all sales and advertising executives in this industry. Write E. Van Guilder, Ahrens Publications, 222 E. 42nd St., New York.

### Magazine Coverage of Youth Market Promoted by Modern

Tackling the subject of the Age Factor in advertising, a new book has just been published by Modern Magazines, promot-

ing the magazines which have come into existence in the last decade, the Movie-Radio-Romance-Fiction groups. It divides the women's adult market into two groups—the 42% in the 18-33 younger half, and the 32% in the 34-49 older half. It advocates the cultivation of both groups by manufacturers selling products for personal use or the home, neither half at the expense of the other. How much overlapping of both age groups is done by the two schools of women's magazine publishing—those established prior to 1900 and those of recent vintage—is not indicated. The inference is clearly given that the newer school magazines blanket the younger group of women, while the so-called Six Women's Magazines reign supreme in the upper age group. Be that as it may, it is unquestionably true that some nine million women subscribers now exist for the new publications. Vitality of the Movie-Radio-Romance-Fiction group is demonstrated by a comparison of newsstand sales ("editorial circulation") and subscription sales. Then getting into the statistics of its own field, the study draws interesting comparisons based on circulation statements to show the importance of the Modern group (*Modern Screen, Radio Stars, and Modern Romances*) in this field which has developed so rapidly in recent years. The study is packed full of meat for all users of magazine space. Title: "39,362,031 Women and 22,961,321 Magazines," Address: J. Fred Henry, Modern Magazines, 149 Madison Avenue, New York.

### Packaging and Food Sales

With packaging in the forefront of merchandising strategy, a condensed analysis of packaging as it relates particularly to the food field should be of value to executives who use, as well as sell, packaging service. *"Packaging in the Food Industries,"* as related in a 35-page, spiral-bound study by *Food Industries*, shows the inter-related interests of the administrative, the sales, and the production executives in effective packaging. The booklet also describes the editorial background provided by this magazine on that subject. Address M. A. Williamson, *Food Industries*, McGraw-Hill Publishing Company, 330 W. 42nd St., New York.

### Like Handwritten Typefaces?

For examples of a strong, virile, handwritten typeface for advertising display, we recommend a folder recently put out by Ludlow. Write for "Mandate," addressing the Ludlow Typograph Company, 2032 Clybourn Avenue, Chicago.

### Surveys—Hunches or Facts?

"If you have an appropriation of \$750,000, would you rather bet that appropriation on instinct and hunch, or would you bet the \$750,000 on accurate information?" Thus queries Kenneth Laird, vice-president of The Western Company, in relating some of his experiences in using fact-finding research to meet competition. A level-headed appraisal of the importance of modern survey methods, published in booklet form by the Ross Federal Service. Write W. E. MacKee, Ross Federal Service, Inc., 6 East 45th Street, New York, for "Market Surveys, Hunches or Facts?"

## QUESTIONS AND ~~ANSWERS~~ One Answer

Are the national advertisers, the sectional advertisers, etc.?

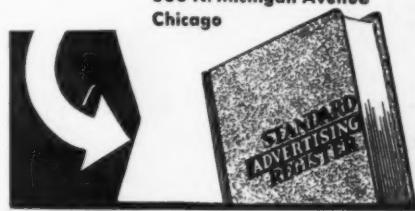
Agencies handle each account? are the names of the men in charge of advertising? types of media are used by each advertiser?

are advertising plans made? is the appropriate time to solicit the business?

is this information available? Write . . .

### NATIONAL REGISTER PUBLISHING CO.

330 W. 42nd St., New York  
333 N. Michigan Avenue  
Chicago



### Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display. Cash Basis Only. Remittance Must Accompany Order.

#### EXECUTIVES WANTED

R. W. BIXBY, Inc., 118 Delward Bldg., Buffalo, N. Y.

#### POSITION WANTED

Being NEITHER YOUNG NOR BEAUTIFUL, I concentrate on being useful (vide Ben Franklin). Have been a trade paper editor for years, and now a free lance in search of work. Can write forceful and lucid English. Will prepare folders, booklets, catalogs, sales literature, at modest prices. Am competent and dependable. Can cover all details. Inquiries imply no obligation whatever. Frank W. Kirk, Room 1632, 333 N. Michigan Ave., Chicago. Phone: State 1266.

from

**A to Z**

Mailing Lists—  
Any Classification

**SPECIAL LISTS:** Sales Managers, Traffic Managers, Purchasing Agents, etc.  
Accuracy guaranteed by postage refund on inaccuracies.

**RESULTS ADVERTISING CO.**  
Mailing List Compilers  
709 Pine Street St. Louis, Mo.



**GIBBONS KNOWS CANADA**



**T**HE ISSUES ON DECK: During the month of November the editors of SALES MANAGEMENT covered many business conventions and attended several important meetings in Washington. Out of it all, there comes a rather deep consciousness of the issues which are forging to the front in a most significant manner. It may be opportune to review a few and to state in broad terms our reactions thereto. . . . Important personages concerned with finance and the revival of business, as it concerns finance, and particularly with the revival of the durable goods industries, seem to feel that the Securities Act has not yet been revised and amended to a point which is sound and practical. Until such revisions are forthcoming, they hold that enormous blocks of private capital available for investment purposes will remain comparatively, if not wholly, idle. They argue that the record of applications for both new and renewal security issues clearly establishes the correctness of their contention. They also point out that the history of recovery from all previous depressions shows that the revival of investment in securities precedes the major revival of business. Apparently the attitude of the Administration is one of wanting to encourage private investment in private industry and, hence, following a certain amount of debate and discussion, some further amendments to the Securities Act seem fairly certain. . . . The future of NRA, whether under a new name or the old one, seems pretty well assured as regards minimum wages and abolition of child labor. Administration officials, however, are inclined to simplify the Codes and to make them more practical, especially along lines calculated to make them enforceable and productive of increased business. . . . Leaders in agriculture seem now to regard limitation as an expedient rather than as a permanently desirable policy. They point out that soundly enlarged opportunity for the farmers lies in regaining a fair volume of export business. They go on to say that export business can be built up on a substantial scale only if imports are first increased on a sizable scale. They propose wide-scale reductions in tariff as the most practical means of increasing imports. They contend that many industries now protected by tariff are grossly inefficient and, therefore, not entitled to the protection they have. The farming element is extremely important politically and, hence, this trend must be taken into serious account. The answer may lie largely on whether tariff-protected industries are really inefficient or whether the tariff is, in fact, serving as the means of securing substantially higher wage levels for American labor. This feature of the argument may pit labor, also very important politically, against agriculture in such a manner as to preclude drastic wide-scale reductions in tariffs. . . . The thirty-hour week, which a short time ago appeared to be a major issue, now looks as if it is dying out. . . . Social insurance is certain to be among the top topics for

discussion and research. The desire of the Administration to see the budget more nearly balanced and to keep capital financing in sound shape, plus the realization that greatly increased social expenditures must necessitate greatly increased taxation will go a long way toward temporizing and delaying so-called social legislation. If, as 1935 progresses, business continues to pick up, the hue and cry for social legislation will undoubtedly decline materially, more especially because of the decline in the crying need therefor. . . . With James A. Moffett, as head of the Federal Housing Administration, trying to revive building through the medium of private enterprise, and with Secretary Ickes, head of the Public Works Administration, promoting Federal ownership and operation of business, there is certainly going to be considerable conflict between the lay public and government officials who pin their faith for improved conditions on state socialization of business, and the government officials and business executives who put their faith in private enterprise and the profit system. That the latter group will win out, there seems steadily increasing reason to believe. That President Roosevelt is swinging more and more to the right for the sake of better results, there seems little reason to doubt. That factual evidence is piling up in favor of private enterprise and the profit system, there seems but little basis to gainsay. That the whole trend will be along the lines subscribed to by business men seems quite assured, provided that business men do not allow intelligent, practical thinking to give way to overly selfish ambitions for quick individual benefits. . . . Grading of manufactured products, as sought by many members of the Department of Agriculture, is sure to be in the limelight; intelligent, well organized opposition on the part of business should bar the adoption of most, if not all, of the fallacious and impractical proposals along this line. . . . Powerfully sponsored efforts to pass a revised food and drug act are certain to be made. In this connection, regulation of advertising will be in the foreground and the tendency to want to regulate advertising in other lines through Federal channels is likely to spread. Well organized cooperation between the publishing and advertising interests should go far toward minimizing such regulations and assuring at least a fairly high degree of practicability. . . . Summing up all these impressions, the editors of SALES MANAGEMENT are disposed to believe (1) that business is moving steadily upward and along sound lines; (2) that the trend throughout 1935 will be toward the right; (3) that the dominant influence of the President will be toward greater conservatism, less reform for reform's sake and more practicability for prosperity's sake; and (4) that it behooves executives to face the future with confidence and aggressive sales programs.

